



IN THE MATTER OF The Public Inquiries Act, being Chapter 258 of The Revised Statutes of Alberta, 1955, and Amendments thereto; and,

IN THE MATTER OF an Inquiry by a Royal Commission into the matters set out in Order-in-Council 861/67 respecting the use or attempted use by the Honourable Alfred J. Hooke of his office as a member of the Executive Council of Alberta, and the use or attempted use by Edgar W. Hinman of his office as a member of the Executive Council of Alberta.

PROCEEDINGS BEFORE
THE HONOURABLE MR. JUSTICE
W. J. C. KIRBY

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N. S. CRAWFORD, Esq., and
J. D. HILL, Esq.
G. S. D. Wright, Esq.

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The Honourable Alfred J. Hooke
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Mr. Neil Reimer
Dr. C. A. Allard
Liberal Association of Alberta
Progressive Conservative Party of
Alberta
Alberta New Democratic Party

W. ALAN SHORT, ESQ.,
Clerk to the Commission.

VOLUME No.23.....

DATE October 19th, 1967
(Pages 2302 - 2438)

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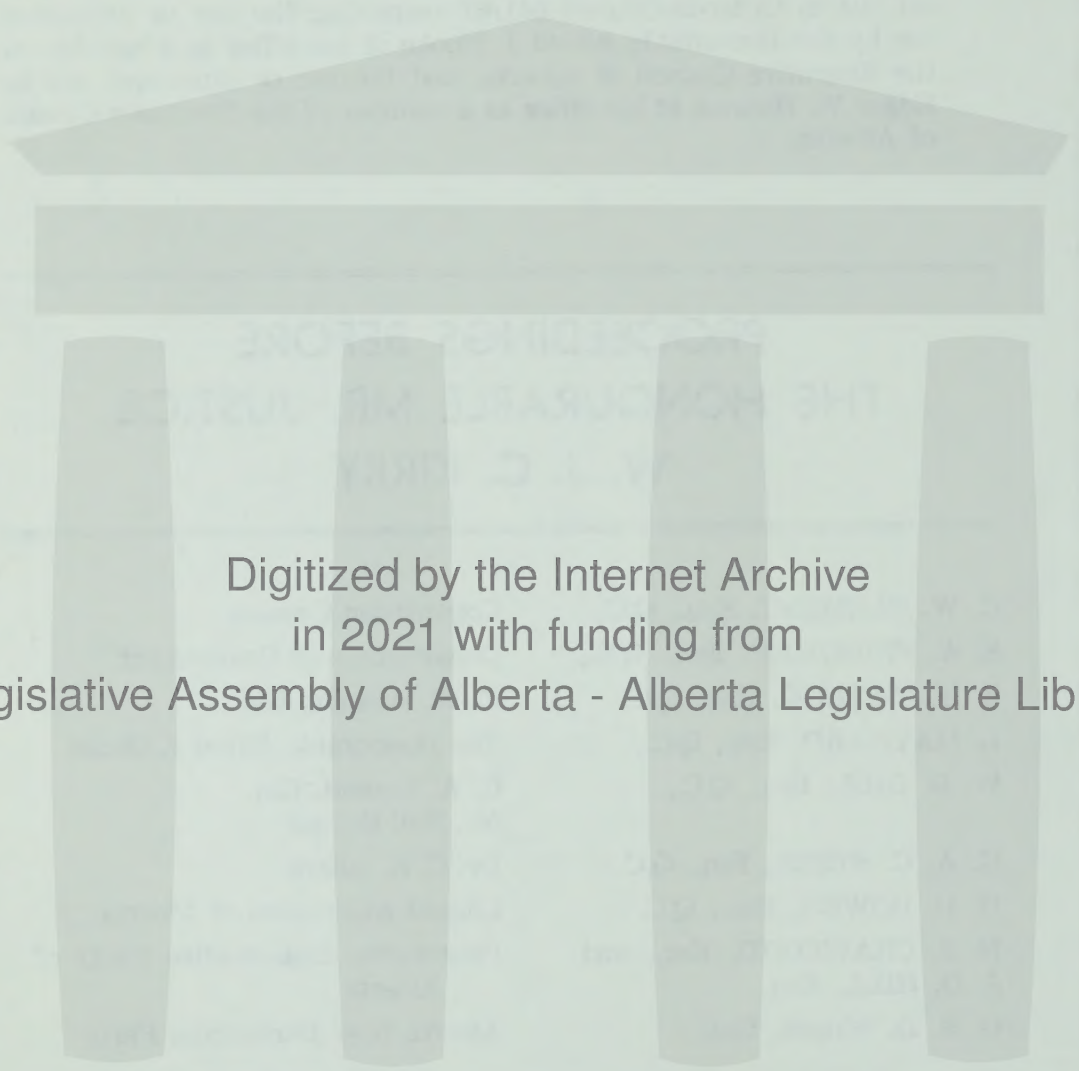
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J. L. Harris - Wright Ex.

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J. L. Harris - Wright Ex.

PROCEEDINGS before the Honourable
Mr. Justice W. J. C. Kirby, this
19th day of October, A.D.1967, at
9:00 o'clock in the morning, at
the Court House, in the City of
Edmonton, Province of Alberta.

JAMES LLOYD HARRIS, recalled, on his former oath, examined by Mr.

Clement: proper question.

Q Mr. Harris, you acknowledge you are still under oath for
the purposes of the inquiry?

A I do, sir.

Q Mr. Wright was about to --- or was commencing his cross-
examination yesterday.

THE COMMISSIONER: Mr. Wright?

MR. WRIGHT EXAMINES WITNESS:

Q Thank you, my Lord. Just to revert to one topic that I
should have asked yesterday, Mr. Harris: with regard to
the Northwestern Utilities Building, what commission was
paid on the sale of this, that you know of?

A I can't -- .

MR. CLEMENT: Sir, perhaps it should be stated
what the relevancy of that is to this inquiry.

MR. WRIGHT: Yes. Do you know of any commission
beside the one paid to yourself?

MR. CLEMENT: I suggest that perhaps the
relevancy might be ascertained first, sir.

THE COMMISSIONER: I think you probably should
specify what you are getting at, Mr. Wright: commission to
whom or -- .

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J. L. Harris - Wright Ex.

MR. WRIGHT: Yes. I want to know -- .

THE COMMISSIONER: I think you had --- .

MR. WRIGHT: -- if there were any commissions
paid to any member of the government.

THE COMMISSIONER: I think -- yes, that's all right,
that's a proper question.

MR. WRIGHT: That's what I am after.

THE COMMISSIONER: You are not concerned with his
personal commission. That's not pertinent.

MR. WRIGHT: I know he got a commission -- of
course he did -- and we are not interested in that. Do you
know of any other commissions paid at all?

A No sir.

Q Or any payment in the nature of a commission or remuneration
for a job done?

A No, sir.

Q Now, you say you went up to McMurray in the early part of
'64 first.

A That is correct, sir.

Q And whose suggestion was it that you go there?

A I believe I went on my own suggestion. As I stated
yesterday, we are in the development business, and because
of the activity up there I was interested in taking a look
around to see whether our company could get into any
development work.

Q Did you have any conference with Dr. Allard or anyone else
with regard to the possibility of -- ?

1-M-3

J. L. Harris - Wright Ex.

A Oh, I would have had discussions with him in that regard, certainly.

Q Yes, and did he ever state that he had any information as to the possible change of status of McMurray, or anything of this type?

A Oh, no.

Q So that your discussions, you say, were purely along the lines that since this tar sands project was going to locate there, there would be scope for building houses for the employees.

A That is correct -- plus commercial development.

Q Plus commercial, yes, and the services that go with housing, of course. When did you first learn of any plans to change the status of McMurray from a Town to a New Town?

A I wouldn't know the exact date, but I was aware that the council that had requested, if I recall the exact routine they go through -- the Town Council of Fort McMurray because of their dire financial straits had to request to enter under the New Town status. I believe they make a request to the Department of Municipal Affairs; I'm not too sure of the routine.

Q Yes. When were you first aware that this request was being made?

A It would be sometime in 1964, but I couldn't say when.

Q Before or after your first trip up?

A Oh, this would be after.

Q Did you have your eye on this piece of land that you first

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J. L. Harris - Wright Ex.

Q (Cont.) bought on your first trip up there?

A That's correct.

Q Why?

A Well, it was the only piece of land that was consolidated in one parcel immediately adjoining the existing downtown area.

Q Yes, and on that trip up there you spoke to -- I forget the name of the gentleman -- not Bishop Piché, but his -- .

A Father Lesage.

Q Father Lesage, and was that your first -- on your first trip up there that you spoke to him?

A That's right.

Q Who told you -- .

MR. MAYNARD: Mr. Commissioner, I rise to interrupt -- not particularly to object to what is going on now, but yesterday the witness was examined by Mr. Wright on the question of the Fort McMurray development. We had finished that subject matter and then we had gone on to the question of the natural gas utilities building. Now -- .

MR. CLEMENT: I am afraid, sir, my friend may have that order reversed. We had -- as far as Mr. Harris is concerned --- I called him and examined him in chief in respect of the Northwestern Utilities Building, as I recall it, and he was cross-examined on that aspect, and then I proceeded to examine him in chief in respect of the Fort McMurray aspect, and then his cross-examination started, and the round robin had reached Mr. Wright again on that

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J. L. Harris - Wright Ex.

MR. CLEMENT: (Cont.) topic -- if my memory serves me.

MR. MAYNARD: Well, Mr. Commissioner, my notes indicate that Mr. Wright examined the witness -- .

THE COMMISSIONER: Could I have yesterday's transcript?

MR. MAYNARD: Mr. Wright examined the witness on the question of -- who his contact was in Fort McMurray -- it was a man by the name of Irving -- we discussed the question of the development of the town -- when? --- at the time of the sale -- and he discussed with Mr. Harris the question of the land having been offered to Fort McMurray Development for \$1,600.00 an acre.

MR. GILL: I think, Mr. Commissioner, I might direct your attention to page 2261 where Mr. Clement said after examining Mr. Harris, and leading him through, as he usually does, he said: that is all and, Mr. Harris, I wish to ask you a few questions in connection with Chartered Investments in Fort McMurray, but I think I will treat that as a separate matter, and if you will answer my friends on this aspect I will come back.

THE COMMISSIONER: I think the answer will be found on page 2301, and Mr. Wright had asked -- just a few questions -- comprising about one page, and with regard to the Fort McMurray property, and my concluding remark, I think, indicates the status: "I think, Mr. Wright, before you embark on your cross-examination -- obviously we're not going to finish the examination of Mr. Harris -- you may lead off tomorrow morning at nine o'clock" --- so I think Mr. Wright

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J. L. Harris - Wright Ex.

THE COMMISSIONER: (Cont.) is quite properly conducting his cross-examination.

MR. MAYNARD: My apologies, Mr. Commissioner.

Q MR. WRIGHT: Who suggested you see Father Lesage?

A Well, when I got a map of the town from the town secretary, a man by the name of Bressieres, I believe -- he was the secretary-treasurer -- it was quite obvious in a place of that size and the location of this land, it was probably one of the most valuable pieces of real estate there, being located between the separate school and the main downtown area, and it would be obvious to anybody who was in the development business to make enquiry as to who owned it, and when I discovered it was owned by the church I immediately contacted Father Lesage.

Q I see; and did you have any discussions with Mr. Hooke subsequent to this?

A No sir.

Q Did Dr. Allard, do you know?

A No, not to my knowledge.

Q And what discussions did you have with the administrative body of the New Town once it was set up, which I suppose is in Edmonton, in effect?

A Well, we had -- they approved our plans afterwards, but the actual zoning was approved by the Town of Fort McMurray, and the council that I appeared before on several different occasions.

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J. L. Harris - Wright Ex.

Q Before the New Town was set up?

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J. L. Harris - Wright Ex.

A That is correct, sir. That was voted on by the Town Council and approved, if I remember there were six aldermen at that time.

Q And the New Town was formally established on the 30th of June, 1964, My Lord, we see that from the Sessional Paper, Sessional Return 335.

A We would be in the working drawings before that date though.

Q Yes. Who is the Civil Servant that you deal with or dealt with mainly in Edmonton about the New Town?

A Mr. Stagg, who I believe they called the Senior Planner; and Mr. Polniuk, the Senior Administrator.

Q Now, Akrom, you say, what is the full name of that company?

A A-k-r-o-m.

Q No, the name.

A Akrom.

Q Akrom?

A I am not sure whether it is "Developments" or just "Akrom Limited".

Q Akrom Developments Limited you said yesterday apparently, and I am just looking to see whether you gave us the ownership of that company, you said that Chartered Investments had an interest; what was the ownership?

A I said yesterday that we had fifty percent, and thinking the thing over I only had twenty-five percent interest in the company, I was getting carried away.

Q You yourself?

A Chartered Investments Limited only had twenty-five percent.

1-B-2

J. L. Harris - Wright Ex.

Q Yes, and the rest was owned by whom?

A Twenty-five percent was owned by North West Trust and fifty percent was owned by the Romaines.

Q Yes, and how did that company, were you a Director of that company?

A That is correct.

Q How did you come to get this lease for the liquor store and the Public Health Unit I suppose?

A Well, actually we come to form this company as a result of the fact that I myself was a little bit annoyed about the fact that I could not get leases from the Government into our shopping centre, and we had felt that we should have an opportunity to bid on the particular leases that were coming up, and they advised us that they wanted a pre-standing building and they had already made tentative arrangements.

Q To build one?

A To build one or had with some other developers.

Q Yes?

A So some time later I was approached by Mr. Romaine and asked if he could come and see me, and stated that he had made arrangements to obtain some leases and could we be of assistance in developing this building with him, and that is how we came about to develop it, as a pre-standing building. I personally would have wanted the leases into our centre.

Q In your development of the project was Mr. Holloway helpful?

A Not in this particular instance because of the fact that

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J. L. Harris - Wright Ex.
- Steer Ex.

A (Cont.) I don't think we ever once appeared before Mr. Holloway because the development was all approved by the Town of Fort McMurray and the Council, and the only reason that we were in contact with any members of the Government was that they had asked zoning advice and support to advise them, the Town Council of Fort McMurray, and this was before it was under the New Town status, and all our planning was completed before it become under the New Town status.

Q When were those leases arranged, can you remember?

A Which leases, with the Government?

Q Yes?

A I wouldn't know that, Mr. Romaine arranged all of that, I was just involved in the financing and the building, I had nothing to do with any of the leases.

Q Thank you.

MR. STEER EXAMINES THE WITNESS:

Q Mr. Harris, you told us that you went up, when you went up to Fort McMurray the snow was still on the ground?

A That is correct.

Q This was in the year 1964?

A That is correct.

Q Can you give us any further assistance as to perhaps what month it could have been?

A Well, I would say it was either February or March, to the best of my recollection.

Q In the year 1964?

A That is correct.

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J. L. Harris - Steer Ex.

Q And when you got up there you contacted the Secretary-Treasurer of the Town?

A That is correct.

Q And you were shown a plan?

A What plans they had at the time, yes.

Q I see, you were shown a number of plans that they had?

A That is correct.

Q And were you also informed that certain planners in the Provincial Government were assisting the Town?

A That is correct.

Q And did you discuss with the Secretary-Treasurer the possible ways that this development to accommodate Great Canadian Oil Sands might go as far as land around the Town was concerned?

A Yes, and he explained to me that there was a great animosity amongst the people in the Old Town of Fort McMurray in retaining the core of the Town as close to that centre as possible, because they were old timers, and had been there for a number of years, and that he felt that this is possibly where it would end up. In the initial drawings that were out at that time by the Government, the Planning Department, showed that this is possibly where it would stay, but it was not finalized at that time.

Q When you say this is possible, this is possible where it would stay, to what area are you referring?

A Well, the area of the Old Town area, and the area immediately adjoining it.

1-B-5

J. L. Harris - Steer Ex.

Q I see, I wonder if perhaps, I am not sure of the Exhibit number, but that is one plan you saw, is this correct?

MR. CLEMENT: 232, Mr. Steer.

MR. STEER: 232, is it?

MR. CLEMENT: 332.

MR. STEER: I am sorry.

MR. CLEMENT: I will strike off the other wrong number.

Q MR. STEER: Perhaps we could just look at the Exhibit. Has this map got a scale on it anyplace?

A 600.

Q 600 what? One inch equals 600 feet?

A Yes.

Q Yes. Now, where on the map is the Old Town?

A In this area, sir.

Q And presumably north is straight up?

A No, it is not, that is the funny part about it, I think north is probably over this way.

Q There is the section line. You are not sure which is north?

MR. CLEMENT: This is a discussion, Mr. Steer?

A North here.

Q MR. STEER: So that if we place the map right side up so that we can read the writing, north is at the top of the map, is it?

A Correct.

Q Now, where is the Old Town?

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J. L. Harris - Steer Ex.

A In the northwest area.

Q Where you have laid your pencil in the northwest corner of the -

A New Town of Fort McMurray.

Q Of the dotted outline, is that correct?

A That is correct.

Q Yes, and where is the church land?

A This, the total land that was owned by the church is known as Block 9, it runs right from one side of the dotted line straight through, and this is the way it was divided, and -

Q And that is called a River Lot?

A River Lot 9.

Q Yes, and where is the land that Chartered Investments became -

A We bought this portion in here with the exception of 1.2 acres which was retained by the church, where the church existed.

Q I see. Now, in other words, if we look at the word "access" which appears on what appears to be a road here, is this correct?

A That is correct.

Q Then if we look immediately north -

A Right.

Q - of the word, northeast of the word "access", into River Lot 9, that is the land that you bought?

A This, that is correct.

Q Is that right?

1-B-7

J. L. Harris - Steer Ex.

A Yes, and this brings up another point that another, well, this map as you can see, I believe we discussed this yesterday, was put out in 1962 it seems to me.

Q There are a number of dates if I recall correctly, '62, '63, '63.

A It was after that that I was up, but this becomes the most important reason why I was interested in this property also, now that I see the map, was that this become the access into the Town, this road coming through here was the proposed highway and across here is a new bridge that goes out to the tar sands, the plant, and this road goes past the airport and comes in to Edmonton, so it was natural that if it was going to stay in this area this become the key corner, and this become the most valuable piece of property in Fort McMurray because of the access road entering into it, and this map was available to anybody who wanted to obtain it.

Q Yes. Now, and this land was immediately adjoining or very close to the old business section of the Town?

A This is the old business section right in here.

Q And the information you got from the Town officials was that the businessmen in this Town were pressing to have the development occur as near to their properties as possible?

A In addition to that, sir, I think out of the six aldermen three of them come from that area.

Q Fine, and did you also talk to, did you talk to anyone else, any other Town official?

1-B-8

J. L. Harris - Steer Ex.

A I met the Mayor at that particular trip also, Mayor Peden, and I had lunch with him.

Q Yes?

A P-e-d-e-n.

Q Did you have discussions with him?

A Yes, and he felt the same way as the other people, that it would have to end up down in that area, but he also pointed out to me that he was only one of the elected officials and that this would have to go before their Council.

Q Quite, and you were also informed I believe, that certain Provincial Planners were assisting the Town at this time?

A Yes, I was told that the head planner, Mr. Stagg of the Department of Municipal Affairs, I should get a hold of him and discuss the matter with him, which I did.

Q And were you given any other names?

A Mr. Polniuk, and I believe he was what they called an Administrator, and I know that I sat in on one meeting with Mr. Dant, Mr. Stagg and Mr. Polniuk.

Q Now, when you went to see Father Lesage you learned, of course, that, or did you learn that Fort McMurray Land Company or Fort McMurray Land Development Company was also trying to buy that parcel from the church?

A I did, and I learned more than that, he showed me their offer.

Q Oh, I see.

A That was the reason for us moving in the haste that we did to purchase it.

1-B-9

J. L. Harris - Steer Ex.

Q I see, and did you know who was in the Fort McMurray company?

A I didn't know all of them, but I was aware of Mr. O'Sullivan and Mr. Hamilton being two of them.

Q And did you know Mr. O'Sullivan's association with Fort McMurray and the tar sands?

A Definitely, yes.

Q And you also, of course, knew Mr. Hamilton?

A That's right.

Q And did this assist you in coming to a conclusion that this might be an important piece of land?

A Well, even beyond that, sir, on this property, without them having purchased it, and I am sure that it is around someplace, I don't know whether I could get my hands on it, but they had done a tentative plan for a hotel and shopping site on the very land that we purchased.

Q This is Fort McMurray Land Company?

A That is correct.

Q And did you consider it advantageous that it was so close to the Old Town, in other words for the purpose of obtaining some good will out of the merchants who were in the Old Town?

A Oh, there would be no doubt that this would be one of our main reasons for considering it at that time.

Q Now, I wonder if we could come to the question of zoning: did you have discussions with anyone in the Provincial Government after you had spoken to Dr. Allard and he had made his arrangements with Bishop Piché?

A Oh, definitely, because of the fact that we were advised

1-B-10

J. L. Harris - Steer Ex.

A (Cont.) before we even submitted any plan to them, to the Council at Fort McMurray, to go directly to the planners here in the City and lay out a plan that would suit them and be satisfactory to them, and I know that we did more than one, and met with them with their architects in this regard, to get a plan that would be satisfactory and meet the requirements of the Provincial Government because they asked them to come in, not having any planners. This would be the same thing, the same way that would happen here in the City when you would go to City Hall and talk to the planners.

Q Now, whom did you go to see?

A I went to see Mr. Stagg mainly, and Mr. Polniuk was in on the meetings some of the time.

Q And with regard to getting the actual zoning, what were you told by these men?

A Well, when they made their recommendations to the Town of Fort McMurray they also attended the meeting there which was held more or less as a public meeting in the Community Hall, and the pros and cons of it were discussed at an open forum where the business people were asked, were allowed to bring up certain points from the audience, and then it was voted on, and I believe it was voted on five to one in favor, if I remember correctly.

Q All right, sir, you were given to understand then, although you would talk to Mr. Stagg and Mr. Polniuk, that the decision had to be made by the Town?

1-B-11

J. L. Harris - Steer Ex.

A Oh, this was definite.

Q And you went to how many Council meetings to discuss this matter?

A It would be four or five and on two or three occasions I was accompanied by our architects.

Q Your architects being whom?

A John A. Macdonald.

Q And were any planners from the Provincial Government at these meetings?

A Mr. Stagg was at I believe every one that I was there, and Mr. Polniuk, and I believe at one time Bill Ibister.

Q And what form did these meetings take?

A Well, it would be an open, it would be a Council meeting but people from the, business people would always attend the Council meeting and they were allowed to ask questions right from the audience.

Q And put their views to the Council?

A That is correct.

Q And then the decision was made, and what was the decision?

A The decision was made that this particular shopping centre in this area would go ahead and that this would then form the basis of the downtown core for the time being, depending on expansion; but one of the conditions I was forced to meet at this time, at this time the situation become critical as to when we could start construction, and what assurance I could give them financing-wise, and I assured them that we would start within one week of the date that they gave the

1-B-12

J. L. Harris - Steer Ex.

A (Cont.) approval, and if not they could cancel. We did start within forty-eight hours.

Q I am not sure that anybody has asked you this, Mr. Harris: what were you actually proposing for that piece of land?

A We were proposing a hotel and shopping centre.

Q And you gave an undertaking that you would, if the zoning was granted you would commence construction within a specific period of time?

A That is correct.

Q And did you meet that commitment?

A Yes, we did, as I stated, within forty-eight hours we commenced construction.

Q Now, I wonder if you could give us any idea of the date on which the Council's decision was made?

A I could not, sir.

Q You couldn't?

A I am sure I could obtain it.

1-P-1

J.L. Harris - Steer Ex.
- Maynard Ex.

Q Now, you said --

MR. CLEMENT: Might I just interrupt, it is possible that some of the Exhibits to the Sessional Paper of 1965 might contain the date of the meeting you are concerned in.

MR. STEER: They might. That is already an Exhibit Mr. Commissioner and perhaps it wouldn't be wise to waste the time at this point to ascertain.

Q MR. STEER: Now, you told us that you and Dr. Allard are the shareholders of Chartered Investments?

A That is correct.

Q What is the proportion?

A Fifty fifty.

Q Did you ever have any communication with Mr. Hooke about this matter?

A None whatsoever.

Q Do you know of any intervention or assistance that Mr. Hooke might have given with respect to this matter?

A None whatsoever.

Q Thank you very much.

THE COMMISSIONER: Mr. Maynard?

MR. MAYNARD EXAMINES THE WITNESS:

Q Mr. Harris, at the time that you had these meetings in Fort McMurray when the business people were present, were the business people present at the last meeting of the Council when the decision was made?

1-P-2

J.L. Harris - Maynard Ex.

A That's correct.

Q Were there any objections raised by the business people of Fort McMurray to your proposal?

A There were considerable objections from different areas in there and at the time we had ours passed, I am not sure that there wasn't one or two others that were also on the table that they had a choice of. It came down to quite a bit of fighting.

Q And the other proposals had to do with other areas?

A Yes, one of them being Fort McMurray land development on another piece of property.

Q And what about the meeting where the approval was given finally, the business people of Fort McMurray were present at this meeting?

A That is correct.

Q And at this particular meeting were the business people of Fort McMurray objecting to your proposals?

A The odd ones that were not in the older district, from some of the other areas, were still objecting to it.

Q And despite these objections at a public meeting the Council voted in favour of your proposal?

A That is correct.

Q Thank you.

THE COMMISSIONER: Mr. Clement.

MR. CLEMENT: I have no more questions, thank you.

THE COMMISSIONER: Thank you Mr. Harris, you are
excused.

1-P-3

G. M. Peacock - Clement Ex.

(Witness retires.)

THE COMMISSIONER: Mr. Peacock was here Mr. Clement,
I think he stepped out the doorway.

MR. CLEMENT: Well, Mr. Miles was here. This is
the sort of thing that was troubling me yesterday and I was
hoping to get a better day. If Mr. Peacock is here --

MR. STEER: Both of them are here Mr. Clement.

MR. CLEMENT: Mr. Peacock will be quite short as
I understand the situation.

GEORGE MAXWELL PEACOCK, sworn, examined by Mr. Clement:

Q Mr. Peacock, you are a member of the Law Society of
Alberta?

A Yes.

Q And a partner in the firm of Chambers Associate and Company
practicing at Edmonton?

A Right.

Q And you had -- you acted in a professional way in respect
of the purchase of what is known as the Northwestern
Utilities Building on 104th Street in 1959?

A Yes.

Q Mr. Peacock, at the request of counsel, you have inquired
of your principals, so far as you have been able to to
determine whether solicitor client privilege which they have
in respect of anything you did for them might be relieved
so that you can give us some assistance at this Inquiry?

A Yes.

Q And they have relieved you of that?

1-P-4

G.M. Peacock - Clement Ex.

A Yes, insofar as a person who has passed to the next world is capable of doing that.

Q I understand the person who ultimately became the owner, that party has died since the transaction?

A Yes.

Q That was Amy Guest?

A Right.

Q Mr. Peacock, I will direct your attention to Exhibit 31 which is a Transfer from North West Trust Company Limited to yourself at a stated consideration of \$550,000.00 and, Exhibit 33 which is a Transfer by yourself of the same land to Amy Guest of Palm Beach Florida and the consideration being stated in the Affidavit of Transferee as \$550,000.00. In supplement of those documents Mr. Peacock there has been put in evidence the resulting Certificates of Title, 46 and 48 which are not of immediate concern.

I wonder sir if you would tell the Commissioner so far as you are able and being relieved from your solicitor client privilege, how this transaction came about as far as the interests you represent were concerned?

A Yes, this goes back approximately nine years, at least to the spring of '59 and I received telephone instructions from solicitors in Toronto to act as their agent in connection with the acquisition of this particular parcel of land.

Q Act as their agent?

A Yes.

1-P-5

G.M. Peacock - Clement Ex.

Q Whose agent?

A Well really acting as agents for the Toronto firm of solicitors.

Q Yes, all right, carry on?

A And my instructions were that they were anxious to acquire this on behalf of Amy Guest. Amy Guest was an American citizen of very advanced years and I can say quite frankly that the position was as a result of certain changes in Tax Laws it was found advisable --

Q In the United States?

A American and Canadian, I believe, it was found advisable for Amy Guest to acquire Canadian real property because the point was, assuming that property was acquired, real estate in Canada, prior to her death there would be a substantial tax saving.

Q Obviously she must have had a substantial estate?

A She had a very substantial estate and as a result of that there were a number of properties which were acquired here in Alberta and otherwise and the practice was, having in mind her extreme age and the urgency, the time element, to acquire these properties as quickly as possible and to save time they were first acquired in my name personally and then immediately conveyed as soon as we were sure the position was satisfactory. Now, so far as these -- maybe I shouldn't volunteer but I might save a little time.

Q Well, we are bound to ask you if you don't volunteer.

A Right. So far as this particular property is concerned, I

1-P-6

G.M. Peacock - Clement Ex.

A (cont.) received instructions very late in April of 1959. My instructions were that they would put in my hands some \$550,000.00.

Q At this moment of time you weren't told to negotiate or anything but it came to you as a completed deal?

A Substantially that is correct. The position was that my instructions were that they would place in my hands \$550,000.00 which I was authorized to pay in exchange for a conveyance which would put clear title first in my name in trust for Amy Guest, you see, provided I was assured that the title would be clear and the title was in fact subject to an existing lease to the Department of Public Works. That is it in summary.

Q The mention of the lease to the Department of Public Works was to this effect that the lease was to go with their Transfer?

A The lease was certainly a substantial element in the desirability of the purchase.

Q Yes, and in point of fact you did obtain an assignment of that lease in completion of the transaction?

A Yes. To summarize what I did in fact, I first had to assure myself that there was in fact that lease in existence and I did that I believe by conferring with Mr. Friedman, the solicitor in the Attorney General's Department of the fact that the lease was in fact in existence and valid and subsisting. I had to examine the lease to confirm that it was in terms satisfactory to us and then I obtained from the

1-P-7

G.M. Peacock - Clement Ex.
- Gill Ex.

A (cont.) solicitor for the registered owner, the North West Trust Company, a Transfer of the title subject only to the lease. I think there was one little corner which was taken out for some gas, North West Utilities gas station, twenty feet, but clear title subject only to the lease, together with an assignment of the lessor's interest in the lease to me as the new purchaser which was subsequently conveyed within a few days to Amy Guest.

Q Yes, and that completed your interest in the matter?

A Yes. I had nothing whatever to do with the negotiation of the price or the negotiation of the lease. I merely had to buy the property provided I was satisfied with the title and there was in fact that lease in existence.

Q Thank you very much Mr. Peacock, would you answer my learned friends?

THE COMMISSIONER: Mr. Gill?

MR. GILL: Thank you.

MR. GILL EXAMINES THE WITNESS:

Q Mr. Peacock, what you are saying is that the deal was already made when it came to you, the deal between North West Trust and --

A Yes, I had no knowledge of the deal other than what I have stated. They told me there was so much money available on the basis of my acquiring the title on the basis of my acquiring the title as I have explained.

Q And the price had been set?

1-P-8

G.M. Peacock - Gill Ex.

A Set price.

Q And you don't know who made the negotiations with North West Trust?

A I have no personal knowledge.

Q And would you show the witness please Mr. Short Exhibits 31 and 32?

A I have 31 here.

Q Looking at Exhibit 32 Mr. Peacock, you will see that it is the Transfer from Northwestern Utilities Limited to North West Trust Company Limited, is that correct?

A Well I haven't seen this and I don't know.

Q Oh I am sorry. You have it now?

A Yes.

Q And is that correct it is a Transfer bearing date May 1st, 1959 from Northwestern Utilities Limited to North West Trust Company for \$360,000.00?

A That is what it purports to be. I can't interpret the document.

Q No, no, but that is what it says on the face of it but, would you look at Exhibit 31 please? Have you it before you?

A Yes.

Q You will notice that that's the Transfer of apparently the same lands from North West Trust Company Limited to yourself for \$550,000.00, is that correct?

A Oh yes, yes, that is right.

Q And it bears, Exhibit 31 bears the date the 30th of April, 1959, does it not?

1-P-9

G.M. Peacock - Gill Ex.

A Yes.

Q Would you explain to the Commissioner and, I would be interested, why Northwestern Utilities transferred to North West Trust on May 1st and yet North West Trust gave a Transfer one day ahead on April 30th, 1959 to you?

A Well, I am not in a position to give an explanation of that. My concern was that they gave me a Transfer, I took it to the Land Titles Office and I was confirmed that the Transfer would result in the title I desired. I had nothing to do with any previous Transfers. I had a Transfer which when I presented the Transfer to the Land Titles Office for registration on May 1st, would satisfy me that I would get the title that I intended.

Q You weren't concerned about the fact that North West Trust conveyed to you one day before they had actually transferred?

A No.

Q But that is actually in fact what happened, isn't it?

A Yes. Well actually according to the dates, as I say, I had nothing to do with the previous negotiations, my only concern was that the Transfer that I had would result in the title under the Land Titles Act which I have explained.

Q Did you know Mr. Peacock that North West Trust Company Limited made a profit of \$170,000.00 on the deal?

A No.

Q You didn't see Exhibit 32?

A I have no recollection of seeing it.

1-P-10

G.M. Peacock - Gill Ex.
- Crawford Ex.

Q Did you know that Mr. Giannone and an associate made \$20,000.00 profit on the deal?

A No knowledge whatever.

Q Thank you.

THE COMMISSIONER: Mr. Bowen.

MR. BOWEN: No questions sir.

THE COMMISSIONER: Mr. Crawford?

MR. CRAWFORD EXAMINES THE WITNESS:

Q Mr. Peacock, you mentioned that you had no personal knowledge of the negotiations that led up to the purchase by the Guest Estate of this property, is that correct?

A That is correct.

Q Were you ever told anything of the negotiations in that regard by anyone?

A Not that I can recall.

Q Do you know if the North West Trust Company was dealing on its own account in this matter or on behalf of a client for which it was trustee?

A I have no knowledge.

Q And were you ever told by anyone anything in that regard?

A I can't recall anything of that nature.

Q Do you remember what the property was resold for after the lease expired Mr. Peacock?

A Once again I am speaking from recollection but I believe there was an option given for the resale of the property in 1965 and my recollection is that it was approximately \$466,000.00, I believe.

1-P-11

G.M. Peacock - Crawford Ex.
- Wright Ex.
- Steer Ex.

Q And was the option exercised, to your knowledge?

A The option was subsequently exercised and the deal was concluded in 1967.

Q Thank you.

THE COMMISSIONER: Mr. Wright?

MR. WRIGHT EXAMINES THE WITNESS:

Q Did you pay all the money to the North West Trust or was there any other place that you had to pay any of it to?

A My negotiations were with the law firm of Brower Johnson.

Q I see?

A But I had an exchange of correspondence pursuant to which I sent them the full purchase price in exchange for the documents I required.

Q And the only member or person in the Government service or in the Government at all that you ever contacted was Mr. Friedman?

A Yes and I don't know whether you could quite put it in that category. I merely wanted confirmation of the fact that there was in fact an existing lease in the terms which I had seen binding upon the tenant.

Q Thank you.

THE COMMISSIONER: Mr. Steer?

MR. STEER EXAMINES THE WITNESS:

Q Mr. Peacock, I would take it that you or someone in your firm would investigate the title so that you would be satisfied that your client, Mrs. Amy Guest, would get good

1-P-12

G.M. Peacock - Steer Ex.

Q (cont.) title to this property?

A Right.

Q And you found that North West Trust was in a position to make good title to the property, is this correct?

A Yes, or, putting it slightly differently, I had received from the solicitors of North West Trust a Transfer and I satisfied myself on the registration of the Transfer that the title I required would issue.

Q Now sir, you were asked about the two Transfers, Exhibit 31 and Exhibit 32 and I wonder if you would look at them please? Perhaps I will ask you this first; Mrs. Amy Guest you were given to understand was a lady as you say of advanced age, very advanced age. Now, it is correct isn't it that these tax advantages about which you spoke could not be obtained if the property was acquired before or after Amy Guest's death?

A That is right.

Q So that the object of the game would be to get this title into Amy Guest's name just as soon as possible?

A That is right. Time was of the essence as they say.

Q And those were your instructions?

A Right.

Q Now, in order to get title into Amy Guest's name or into your name, this was good enough, it was necessary to deal with Brower Johnson who acted for North West Trust according to your understanding?

1-P-13

G.M. Peacock - Steer Ex.

A Yes.

Q Do you know who acted for Northwestern Utilities?

A I don't.

Q You don't know what law firm acted for them?

A No, except general information but I didn't have anything to do with it.

Q So that it was obviously necessary to prepare two Transfers, isn't that correct?

A Yes. Well, I had to have a Transfer from the registered owner which resulted in the title I wanted, then I would -- a subsequent Transfer was the only one prepared by me.

Q Now, when you got your instructions you would have made a search of the title or had the title searched?

A Yes. Mind you, this all happened pretty quickly.

Q Oh, there is no doubt.

A I don't think there was a matter of more than three or four days elapsed between the time I received my initial instructions and the 1st of May.

Q Oh certainly, when the whole thing went through?

A And my recollection, if this helps Mr. Steer, Brower Johnson communicated with me and said, we understand you are acting in connection with this purchase and we are acting for the vendor and I said yes and then we exchanged correspondence whereby I said I have "X" dollars which I can pay in exchange for Transfer and confirmation of the lease, etcetera.

1-P-14

G.M. Peacock - Steer Ex.

Q Fine, but all I am asking you sir is that you would have searched the title on receiving your instructions two or three days before?

A Probably.

Q Indeed, and did you find the title was in the name of Northwestern Utilities?

2-M-1

G. M. Peacock - Steer Ex.

A Once again I am talking about eight years -- .

Q It's a long time.

A My recollection is that when we looked at the title first it was not -- it was not -- it was in the name, I believe, of Northwestern Utilities.

Q Quite, so that you were -- .

A It's just recollection.

Q Fine, and I think your recollection is accurate; so you have got to get a transfer from Northwestern Utilities to North West Trust, and from North West Trust to you; this is correct?

A Yes, and the next step was that the solicitors, Brower & Johnson, said: we understand you are acting and we are in a position to give you a transfer from the registered owner.

Q Now, I wonder if you would just look at the date of registration of the two transfers, Exhibits 31 and 32. Now, I am referring to registration, not to the date the things were prepared. Now, this is the transfer from Northwestern Utilities to North West Trust Company.

THE COMMISSIONER: Exhibit number -- ?

MR. STEER: Exhibit 32, I think, sir, -- yes sir; and this other one is the transfer from North West Trust Company to yourself -- right sir? -- and you will notice that the transfer from Northwestern Utilities to North West Trust was prepared by Milner & Steer. Now, would you just look at the dates on which these two transfers were put into the Land Titles Office for registration, which is the

2-M-2

G. M. Peacock - Steer Ex.

MR. STEER: (Cont.) crucial and operating date, isn't it?

It shows here on the stamp, does it not?

A That's right.

Q May 1st, 1959, for the transfer from Northwestern Utilities to North West Trust Company Ltd.?

A If you are interested in the -- .

Q Well, we will come to that in a minute; and it was registered at 4:10 p.m.

A That's what it says.

Q Yes, on the official stamp of the Land Titles Office?

A Yes.

Q And this second transfer from North West Trust to you was registered May 1st, 1959, at 4:12 p.m. -- in other words, two minutes after?

A Yes.

Q And the fact that the transfer from Northwestern Utilities to North West Trust happens to be dated the 1st of May, and this one which is the very day of the transaction -- that the transaction went through -- and this one happens to have been prepared on the 30th day of April, is merely the dates on which the respective solicitors chose to prepare those transfers; isn't that correct?

A All I can say is the documents speak for themselves.

(General laughter.)

Q I am obliged. That will do just fine. You, then, didn't actually attend at the Land Titles Office?

A I'm sorry, but I can't remember.

2-M-3

G. M. Peacock - Steer Ex.

Q That's fine, and I appreciate --.

A I think it is possible that I would, when you have a transaction and you are paying out that kind of money. I don't very often like to---.

Q It's quite possible that all three solicitors met together at the Land Titles Office?

A I can't recall.

Q Well, anything -- .

A I know that I satisfied myself before I paid over the money.

Q For anything that happened in 1959, that's a perfectly fair remark, sir. Now, did you come across the name of Tankoos-Yarman?

A Yes.

Q And who were they?

A My understanding is that Tankoos-Yarman were a company in Toronto -- I believe they are in the real estate and financing business -- and they were the company that was -- it was the company that was acting as agents for the financial advisers of Amy Guest, in the States.

Q With respect to the investment?

A With respect to this matter of -- that I have mentioned earlier -- of enabling Amy Guest to acquire real property in Canada prior to her death.

Q And is it your understanding also with respect to this tax advantage that is obtained, that the effect of the tax advantage is that when you are buying the property you are buying it for, in effect, cheap dollars; is this correct?

2-M-4

G. M. Peacock - Steer Ex.
- Maynard Ex.

Q (Cont.) You will pay a high price to get the advantage down in the United States.

A Well, I'm not certain. I wouldn't presume to be an expert on the American tax law.

Q All right; and you didn't have any communication with Mr. Hooke about this matter?

A None whatever.

Q And I don't suppose you heard about Mr. Hooke at all in this transaction?

A Again I'm speaking from recollection -- I don't have the lease in front of me. I know I examined the actual lease --.

Q He did sign the lease?

A -- and I may have noticed that his name was on as acting Minister or something of that sort.

Q Yes.

A But certainly I had no personal contact with him or anybody in the government in connection with the matter -- other than Mr. Friedman.

THE COMMISSIONER: Mr. Maynard?

MR. MAYNARD EXAMINES WITNESS:

Q Mr. Peacock, I show you Exhibit No. 31. This is a transfer from North West Trust Company to yourself. The transfer is dated October 1st -- I'm sorry -- April 1st, 1959.

A April 30th.

Q April 30th. Now, if you look at the affidavit of transferee, when was the affidavit of transferee taken?

A On the 1st of May.

2-M-5

G. M. Peacock - Maynard Ex.

M. A. Miles - Clement Ex.

Q And the document has typed in the words "30th day of April" which were crossed out and substituted for by "May 1st" -- is that correct?

A You are talking about the affidavit of the transferee?

Q That's right.

A Yes.

Q Fine, thank you; that's all, Mr. Commissioner.

THE COMMISSIONER: Mr. Clement?

MR. CLEMENT: No questions, thank you very much.

THE COMMISSIONER: Thank you, Mr. Peacock. You are excused.

(Witness retires.)

MARCEL ADAM MILES, sworn, examined by Mr. Clement:

Q Mr. Miles, what is your present position?

A I am a management consultant.

Q With one of the companies in which Dr. Allard is a shareholder?

A No.

Q You are independent?

A Right.

Q At one time you did have an association with one or more of Dr. Allard's companies?

A Right.

Q In particular, the North West Trust Company?

A Right.

Q When did that association commence?

A It started sometime in the second half of 1958.

2-M-6

M. A. Miles - Clement Ex.

Q Yes?

A I was initially retained as a consultant. I rented some space in the building of North West Trust, and then I was appointed managing director of North West Trust.

Q About when were you appointed managing director?

A Sometime around August, September of '58.

Q Yes, and you continued in that position of managing director until when?

A October, 1961.

Q Yes, and then prior to your position as managing director, Mr. Miles, do I understand that you were operating as a consultant?

A Independently as management consultant.

Q Advising on what should be done in respect of the activation of North West Trust and getting it into business and so on?

A Very vaguely. It was in connection with other matters -- .

Q Oh.

A -- and this came rather later.

Q Yes, all right. What I am concerned with now, Mr. Miles, I can bring to a focus by showing you a copy of a letter of March 4th, 1959, signed by yourself as managing director of North West Trust, and addressed to Northwestern Utilities Ltd. That is a copy of the letter?

A Yes.

Q Which you sent?

A Right.

Q May I have it marked, sir?

2-M-7

M. A. Miles - Clement Ex.

THE COMMISSIONER:

Exhibit 336.

COPY OF LETTER DATED MARCH 4th, 1959,
NORTH WEST TRUST TO NORTHWESTERN
UTILITIES, IS MARKED EXHIBIT 336.

Q MR. CLEMENT: This, Mr. Commissioner, is the
document which Mr. Harris has referred to in his testimony,
and it reads in this fashion:

" We are authorized on behalf of clients to make
you the following offer to purchase the buildings
which you presently occupy on 104th Street, together
with the three lots which are presently used for
parking, making a total of six lots altogether. The
purchase price of it is \$375,000.00 --- "

and then the terms of payment are set out, with a provision
for reduction in price on earlier payment. Now, Mr. Miles,
^{you}
would/tell the inquiry, please, what circumstances led up
to ~~that~~ letter?

A For some time in the past, prior to this March 4th, various
discussions took place in connection with the Northwestern
Utilities Building.

Q Discussions between whom?

A Between Dr. Allard and myself and Mr. Jake Superstein.

Q Yes, and how did Mr. Superstein get into this picture?

A Mr. Superstein at that time was a shareholder of North
West Trust Company, and also I believe a director of the
company -- .

Q Yes?

A --- and there was a directors meeting held every Friday, I

2-M-8

M. A. Miles - Clement Ex.

A (Cont.) believe -- .

Q Yes?

A -- and then other discussions took place, and this was one of the items discussed at that time.

Q Well, did Mr. Superstein or yourself know that this building was for sale?

A This building was known to be for sale for quite a long period, I believe.

Q Public knowledge?

A Yes, it was very general knowledge.

Q Very well. Then, would you proceed? I just want to clear these little things up.

A Well, there was --- it is a rather confusing picture because there were many facets to it. At one time the use of the property for the car business of Crosstown Motors was -- or any other of Dr. Allard's car companies --- were very seriously considered; and then there were calculations made as to the retail value, the current value of the property; and then --- and this I am not too clear on -- Dr. Allard and Mr. Superstein got together because of Mr. Superstein's family interest in adjacent property on that street, which I believe was some two or three lots, which together would make nine lots, which would be one of the largest parcels of downtown land in the city at that time.

There was also the possibility of renting it out to a national firm in the car business, because at that time there was a change taking place in the

2-M-9

M. A. Miles - Clement Ex.

A (Cont.) car business, and General Motors and Chrysler and others -- and American Motors -- were buying showrooms themselves to have better control of dealers; so there was a multiplicity of uses examined. Let's put it this way: with a certain amount of procrastination because the more choice you have the slower the decision. Finally terms were arrived at, and this offer was -- .

Q By "terms were arrived at" that is you mean that a decision was reached by the several people who were considering the matter?

A Right.

Q As to what would be an economical price to offer?

A Yes, right, an economical price and terms. The two go together to some extent.

Q Yes.

A And also an assumption was made that Northwestern Utilities, not being short of money, would possibly consider extending terms.

Q Yes. So, in any event, it was with that background and on those internal considerations that -- if I may use the term -- that this offer was finally proposed. It had been decided that one way or another, I take it, some profit could be made out of the venture.

A Yes.

Q Then, Mr. Harris states that he was interested as a real estate agent at this time, and that his recollection is he took that over to Mr. -- .

2-M-10

M. A. Miles - Clement Ex.

A Mr. Clement, if I may interject here -- at that time I don't remember knowing Mr. Harris, or dealing with him at all; so the first I heard of it was here when I was waiting for my turn.

Q Your recollection is that it was posted, then, or taken ---?

A I think it was delivered by hand, either by a messenger or somebody in the office taking it down.

Q Very well.

A But it was not, to the best of my knowledge, done through Mr. Harris.

Q I see; and then that letter is dated March 4th, and did you ultimately receive a reply from Northwestern Utilities?

A Yes, I did. I believe Mr. Metcalfe phoned me on the 9th and told me that the letter would be forthcoming, and then the letter again was received the following day.

Q Yes. May I have this marked, sir?

THE COMMISSIONER: Exhibit 337.

LETTER DATED MARCH 9th FROM NORTH-
WESTERN UTILITIES TO NORTH WEST
TRUST, IS MARKED EXHIBIT 337.

Q MR. CLEMENT: The letter is dated March 9th, in these terms:

" We acknowledge with thanks your letter of March 4th making us an offer for our 104th Street property, the contents of which letter we have since discussed on the telephone. After consideration we regret that your offer is not acceptable to us, and we are

2-M-11

M. A. Miles - Clement Ex.

Q (Cont.) are returning you cheque No. 421 in the sum of \$7,500.00, which you submitted at the time of your offer. A satisfactory sale of the building has since been made."

Now, was there anything in particular in that discussion that is referred to in the letter, Mr. Miles?

A Not that I recall. I think that they just said --- that he just said that it wasn't acceptable and that he had made other arrangements and -- .

Q What was the next stage in the development of the matter?

A Then I believe conversations took place as to the question what to do next, if anything; and then, as is customary, once you have made up your mind to go one step you usually wind up going the next step, because you are mentally attuned to it; and the point that I am not clear on, as to who arranged the offer which came in at \$380,000.00 from Mr. Giannone and Peets.

Q Yes. I am showing you a copy of a duplicate, I would say, of the letter of March 10th from Mr. Giannone to North West Trust Company, in effect constituting a sale, as I take it, of this same property by Giannone -- or rather, the members of Giannone's company, to North West Trust, of this property at \$380,000.00. That was on March 10th, I observe?

A Yes.

Q Now, had you yourself had any discussion with Mr. Giannone?

A No.

2-M-12

M. A. Miles - Clement Ex.

Q In the interval between March 9th when you had a talk with Mr. Metcalfe in which he told you that he was not selling to you?

A No, I had no conversation with Mr. Giannone.

Q And you have no recollection as to how this letter reached you, then?

A No.

Q It just came?

A It came and it was accepted by the secretary of the company.

Q Well, could it have happened then that --- with instructions to Mr. Allard at the time, and you were not taken into consultation on it?

A No, I -- that's possible -- when the thing was accepted I knew about it.

Q I see.

A When it was accepted, but as how it reached us, I am very hazy.

Q I see. Did you ever find out what price the Giannone interests had offered Northwestern Utilities?

A Not at the time, nor of those transfers -- I'm sorry -- not at the time; when all those transfers and all the legal documents were finished at the end.

Q You found out then?

A Then, and from conversations it came out.

Q Well, I'm looking at Exhibit 32, which is a transfer by Northwestern Utilities to North West Trust Company --- which has already been referred to --- dated May 1st, 1959; and

2-M-13

M. A. Miles - Clement Ex.

Q (Cont.) the affidavit of transferee reads in this fashion:

" The within described property was sold by the transferor" --

which is Northwestern Utilities ---

"to Elizabeth Peets and Donat Properties, Limited" -- which is a Giannone company --

"by agreement for sale dated March 13th, 1959, at and for the sum of \$360,000.00. The purchase equity in the said agreement was subsequently assigned by assignment dated April 28th, 1959, to the transferee for the sum of \$380,000.00".

Now, that is an affidavit taken by Mr. Robert Brower as the agent for the transferee, which is North West Trust Company. The point which I find a little curious at the moment, Mr. Miles, is your offer contained in Exhibit 336, which was \$375,000.00, but apparently Northwestern Utilities sold to the Giannone interests for \$360,000.00.

A That was the difference.

Q I was just saying that was because -- that was because of terms?

A Terms, that's right.

Q They wanted the cash out?

A Yes, and presumably --- as is sometimes customary, people say, what is finished is finished.

Q Yes.

A You know, with terms you can get into an argument.

Q But it didn't make you hesitate about the solvency of

2-M-14

M. A. Miles - Clement Ex.

Q (Cont.) Northwestern Utilities?

A No.

Q Well then, what happened when this document of March 10th, signed by Giannone -- what happened after it was received? Was there a meeting to consider it, at which you attended?

A Yes.

Q And what was discussed?

A It may have been -- to be strictly correct it may have been even -- it may not have been a physical meeting, it may have been telephone conversations.

Q It was discussed?

A It was discussed.

Q And I presume Dr. Allard would have been consulted in this discussion?

A Right -- well, actually the decision was very simple, because mentally the decision was made to pay \$375,000.00, so between three hundred and seventy-five and three hundred and eighty thousand, once you make up your mind you want it, the difference is not really significant.

Q Yes, exactly. Mr. Commissioner, the instrument which I have been referring to is dated March 10th, 1959 --- and this is a duplicate original -- has already been entered in evidence as Exhibit 315. A decision then having been made, what happened from that point on?

2-B-1

M. A. Miles - Clement Ex.

A Then it became a little complicated because then one had to make a decision on, about the use, because other uses and potential uses having been discussed we had, one had to reach a decision.

Q I see. At the moment of decision in which the letter of March 10th was accepted, had there been, was there nothing definite in mind at all as to the use of the building?

A Well, pretty well the car business was fairly definite, but as most things are in life, until something happens you don't face them, you think you settle them but you don't really make a final decision. At that point everybody got around the table and said "Well, now, we have to decide what to do.".

Q Yes?

A The Car Division at that point said "Well, give me a twenty-four, forty-eight hours to think it out and look at it again." and then the possibilities of leasing were discussed, and so it was decided that the best thing to do to make a decision is not to scramble and feel out the market in different respects, so that it was made known that the position was made, which I believe was issued as a news release by the Northwestern Utilities at that time, somewhere in between the period, and then approaches were made, and then -

Q You mean the Northwest Utilities gave a news release that they had sold the building?

A That they had disposed of the building.

2-B-2

M. A. Miles - Clement Ex.

Q Yes, all right?

A And then various approaches were considered, and then amongst them it was offered to the Government to see whether they would, they had any use for it.

Q Now, there is in evidence, Mr. Miles, a letter which purports to be over your signature?

A Yes.

Q To the Premier, I will read you, I will show you your own file copy of it. You confirm that this was part of your efforts -

A That is correct.

Q - to find a tenant for the building?

A Right.

Q I show you a further letter dated March 13th addressed to Peter Elliott, did you cause that to be sent also?

A Correct.

Q Mr. Commissioner, the letter of March 13th to Mr. Peter Elliott is in these terms, Peter Elliott was at that time the Executive Secretary in the Premier's office:

"Not being too well versed in dealing with the Government Departments, I enclose a copy of my today's letter for your information in case I have directed this letter to the wrong quarter. You can see from the letter that we are being entrusted with all kinds of business for clients, which makes my life quite interesting. Yours sincerely ..."

The reference there to "a copy of my today's letter", that

2-B-3

M. A. Miles - Clement Ex.

Q (Cont.) is the letter to the -

A Mr. Manning.

Q - Premier Manning?

A Yes.

THE COMMISSIONER: That is Exhibit 306. This Exhibit will be marked Exhibit 339. The letter to Premier Manning is Exhibit 306? Is that already in?

MR. CLEMENT: I will check it, sir.

MR. GILL: It was Exhibit 306, yes. I am wondering what was Exhibit 338?

THE COMMISSIONER: Oh, I see, I thought that was the letter of the 10th of March from Giannone to North West Trust.

MR. CLEMENT: Oh, I observed to you, sir, that that letter had already been entered as an Exhibit, and that I was drawing a duplicate original from Mr. Miles' -

THE COMMISSIONER: Yes, that last Exhibit then will be 338.

MR. CLEMENT: Yes, thank you.

MR. GILL: The letter that you have referred to to Giannone, from Giannone to North West Trust is 315.

THE COMMISSIONER: Yes.

LETTER, MARCH 13th, TO ELLIOTT
FROM MILES, MARKED EXHIBIT 338.

Q MR. CLEMENT: Now, Mr. Miles, having reached this point could we just go back and review another aspect of the situation as it existed: your letter of March 13th to

2-B-4

M. A. Miles - Clement Ex.

Q (Cont.) Mr. Manning starts in this fashion:

"Clients of ours have recently acquired the building ..." and so on; what were the circumstances in the situation at that time which led you to use that expression, you have already mentioned that Mr. Superstein was interested, Dr. Allard, of course, whether personally or through one or other of his companies I suppose?

A Yes.

Q What was the situation there which led you to use that phrase "clients of ours", and how did the matter develop?

A It was simply that this was a fact, that if you are acting for clients you should state that.

Q Oh, I entirely agree; who were the clients you were stating at that time?

A Oh, the clients were Dr. Allard, Mr. Superstein and indirectly through a company in which I am interested, myself.

Q And what was that company, is that a company in which Dr. Allard had an interest?

A Yes.

Q What was that company?

A Eagle Management Consultants Limited, E-a-g-l-e.

Q Yes, so that those then were the several interests that joined together were considering the purchase or putting up the purchase money for this building?

A Right.

Q And it was that same group that made the original offer to Northwestern Utilities?

2-B-5

M. A. Miles - Clement Ex.

A Yes.

Q And the same group that authorized the acceptance of the Giannone offer?

A Right.

Q And what happened in respect of that group of interests that North West Trust was representing, what was the development of that, how did they carry on?

A I am afraid I don't follow you.

Q Well, they didn't, you bought the land, you took the title to the land in the name of North West Trust Company?

A No, we never got to that stage, the title never passed.

Q Well, let's just examine that statement for a moment, Mr. Miles. You had accepted the Giannone offer?

A Yes.

Q At \$380,000.00, and having committed yourself to the purchase you decided that until something better turned up you would try to find a tenant?

A Yes.

Q And you wrote the two letters which are in evidence?

A Right.

Q Did you make any other efforts about finding a tenant?

A Yes, I believe Mr. Superstein and Dr. Allard spoke to various agents.

Q Real estate agents?

A Real estate agents.

Q Yes?

A And made it generally known that the property is available

2-B-6

M. A. Miles - Clement Ex.

A (Cont.) for renting because you see, Mr. Clement, to make it quite clear, most of those type of properties are acquired for long term hold, and you have to find a method to carry it, so that the money you spend on it, the money that you have spent on it earns something, whether through parking, tenants and so on, because the time was not appropriate at that time to use it for actual construction, so that the properties together over years appreciates very very considerably if one can sit with it.

Q Yes. Now, how did you come to specify in the letter to Mr. Manning the rental of \$2.75 a foot, was this a calculation made by which, if paid, you would recover carrying charges and that sort of thing?

A Definitely, and it is usually calculated, as it was in that case, taking into consideration the condition of the market, availability of other space, location, and so on.

Q Yes?

A Sometimes we can't get what it is worth and sometimes we get more than it is worth, this is how it works out.

Q And how did it work out in this case, Mr. Miles, after this letter was sent to Mr. Manning what happened in connection with the lease?

A Well, after that I received a telephone call from the Department of Public Works, I am not exactly certain whether it was, who called, but an appointment was arranged for Mr. Arnold, I believe Mr. Wilson, and a few other people to meet me and another gentleman from North West Trust at the

2-B-7

M. A. Miles - Clement Ex.

A (Cont.) property itself.

Q Yes?

A Where the meeting duly took place. They inspected the property, asked me all kinds of questions that I couldn't answer where I had to phone Northwestern Utilities who could, you know, about boilers and heating, and so on. Then there was one other meeting at which I was present at the building, and then they took a key I believe, and they went on their own to give it a real going over, I presume, because I explained that I couldn't be very much help not knowing what to answer, but that we could provide engineers to find out or Northwestern Utilities would be able to answer their questions.

Q Yes?

A Then I was asked to attend on Mr. Arnold and Mr. Wilson.

Q Yes?

A I met Mr. Wilson in Mr. Arnold's office and I was advised at that time that they may be considering a rental of \$2.50; first of all they said they would be interested and, secondly, it would be a rent around two fifty.

Q Yes?

A Was what they thought was an appropriate rent.

Q Yes?

A And then after some telephone calls the rent in that amount was agreed and the remaining terms of the periods and options and the usual thing that goes with it.

Q Well, was it following this meeting and telephone discussions

2-B-8

M. A. Miles - Clement Ex.

Q (Cont.) that you received this letter of March 26th?

A Yes.

Q 1959. My Lord, a copy of that is in as an Exhibit, if I can -

MR. GILL: 314.

Q MR. CLEMENT: Is that 314? Thank you very much.
Yes, a copy, sir, is in as an Exhibit as number 314.

Mr. Miles, in addition you, there is in Exhibit number 307 a letter dated March 28th, 1959 from yourself to Mr. Kenworthy; you confirm that you sent that letter to Mr. Kenworthy in reply -

A Correct.

Q - to the letter of March 26th?

A Yes.

Q Was the decision to accept the Crown's counter-offer a subject of discussion between those interested?

A Yes.

Q And the conclusion reached that you could accept that rent?

A Correct.

Q There is a further variation, apparently, Mr. Miles, in that in addition to the twenty-five cents per foot reduction in rent the parking lots were being thrown in without charge?

A Right.

Q And the other terms then were negotiated and the lease was signed. Do you recall what documents were executed in connection with the completion of the transaction?

A I believe there was some document like a preliminary or

2-B-9

M. A. Miles - Clement Ex.

A (Cont.) something of that type, and then for a lease.

Q Mr. Miles, I better put before you your own file. Were you dealing with a firm of solicitors, was Mr. Giannone being represented by a firm of solicitors after agreement had been reached that you would purchase the Giannone interests?

A Right on the first document, I knew the signature, that was Mr. Shortreed's signature, and the receipt was Shortreed.

Q Yes, the acceptance of the offer itself starts out in this way:

"We hereby accept your offer to purchase ..."
and so on, and it goes on:

" ... and herewith enclose cheque payable to your order
in the sum of \$20,000.00 as evidence of our good faith."
and do you produce a photocopy of a receipt of Messrs.
Shortreed, Shortreed and Stainton of March 11th 1959?

A Right.

Q For \$20,000.00?

A Right.

Q And that is the receipt for the money referred to in the acceptance?

A Right.

Q I don't think it necessary to mark that, sir. I will leave it on the table.

I am wondering, there is some documentation which perhaps in the position that you were in you might not be particularly familiar with, Mr. Miles; there is a Caveat dated March 31st, 1959 by which North West Trust claimed

2-B-10

M. A. Miles - Clement Ex.

Q (Cont.) an interest by virtue of a sale, I guess, oh, of a contract for sale from Donat Properties Limited and Elizabeth C. Peets, the purchasers under an Agreement for Sale dated March 17th, 1959, made between Northwestern Utilities Limited and Donat Properties Limited, and so on; is that a familiar document to you?

A Yes.

Q Mr. George L. Jones was solicitor to North West Trust at that time?

A He was employed by the company at that time.

Q And he undertook to file a Caveat for the company?

A Yes.

Q Now, what about this documentation, Agreement for Sale dated March 17th 1959 between Northwestern Utilities Limited and Donat Properties?

A I presume that is there.

Q I don't myself -

A The one with Mr. Giannone, wouldn't that be there, the agreement?

Q You see, this is an offer.

A Oh, I see.

Q From Giannone to you?

A Yes.

Q What I am talking about is an Agreement for Sale from Northwestern Utilities to the Giannone interest?

A No, I haven't seen that one.

Q You have not seen that?

2-B-11

M. A. Miles - Clement Ex.

A I haven't seen the other one, I have this one.

Q I show you then a document dated April 28th 1959 entitled Assignment of Agreement for Sale, and this comes from your file?

A Yes.

Q Is this the document by which North West Trust Limited acquired, legally acquired its interest in this land?

A Right, correct, I would think so.

Q Yes. May I have this marked sir, an Assignment of Agreement for Sale between Donat Properties Limited and Elizabeth C. Peets, as the assignor, North West Trust as the assignee, and Northwestern Utilities as the third party, Northwestern Utilities being the original vendor under the chain of title.

THE COMMISSIONER: Exhibit 339.

ASSIGNMENT OF AGREEMENT FOR SALE
BETWEEN DONAT ET AL AND NORTH
WEST TRUST, MARKED EXHIBIT 339.

Q MR. CLEMENT: Mr. Miles, there is another instrument dated the 1st of May 1959 between Mayfair Leaseholds Limited and George Maxwell Peacock, being an Assignment of Lease; will you identify that as being the instrument executed by Mayfair Leaseholds Limited?

A Yes.

Q May I have that marked?

THE COMMISSIONER: Exhibit 340.

ASSIGNMENT OF LEASE, MAYFAIR
LEASEHOLDS AND PEACOCK, MAY
1st, 1959, MARKED EXHIBIT 340.

Q MR. CLEMENT: What is the lease that is referred to

2-B-12

M. A. Miles - Clement Ex.

Q (Cont.) there?

A It is the lease with the Provincial Government.

Q Yes. I show you an instrument dated April 28th 1959, a copy of which is in evidence, Exhibit 34 I think; is that the lease which finally came to be executed following the negotiations you have described?

A Yes, it is.

THE COMMISSIONER: Is that an Exhibit?

MR. CLEMENT: That is 34 I think.

MR. GILL: It is 34. Mr. Commissioner, there are some initials of Mr. Arnold on that lease that Mr. Clement has in his hand; are they on Exhibit 34, the photostat?

MR. CLEMENT: Well, let's check and see.

MR. GILL: You had considered the discussion about those initials?

MR. CLEMENT: It is Exhibit 35, sir.

THE COMMISSIONER: Exhibit 34 is the Transfer from Hooke to Beaver Land Company, isn't it?

MR. GILL: 35 is merely a notarized copy.

THE COMMISSIONER: A notarized copy, yes.

MR. CLEMENT: Exhibit 35 is just a notarized copy.

MR. GILL: I wonder if I might ask my learned friend to tender this as an Exhibit?

MR. CLEMENT: It has been referred to, sir, quite extensively and probably it should go in as evidence then.

THE COMMISSIONER: This is the actual lease?

MR. CLEMENT: This is a counter-part of the lease,

2-B-13

M. A. Miles - Clement Ex.

MR. CLEMENT: (Cont.) an executed copy of a lease of April 28th 1959 between Mayfair Leaseholds Limited and the Crown.

THE COMMISSIONER: Make that Exhibit 341.

LEASE, APRIL 28th, 1959, EXECUTED
COPY, MAYFAIR AND THE CROWN, MARKED
EXHIBIT 341.

Q MR. CLEMENT: Now, let me come back to the point, Mr. Miles: how does Mayfair Leaseholds Limited get into the act?

A Well, as you know there was three parties and obviously it was felt at that time that (a) you have to have a vehicle for ownership and operation and so on, and Mayfair Leaseholds I believe was incorporated at that time, or it was a shell company at that time.

Q Yes?

A To the best of my memory.

Q Well, the corporate records are here, Mr. Miles, and they show that it was incorporated in or about that month.

A Yes.

Q But I wanted to get your explanation about this. Now, do I understand from what you have said that Mayfair Leaseholds Limited was an incorporation of the clients that you refer to in your letter to the Premier?

A Right, that is correct.

Q I see, so that they all then became bound together in the corporate entity?

A Correct.

Q And that became your client in place of the others?

2-B-14

M. A. Miles - Clement Ex.

A Right.

Q And so then North West Trust was holding this land as trustee for Mayfair Leaseholds Limited, was it?

A Yes.

Q And as far as North West Trust was concerned Mayfair Leaseholds was the beneficial owner of the property?

A Yes, that must have been the case.

Q Or the equitable -

A You see in that period, as to whether it was all finished at that time or documented at that time -

Q Well, I know, the documentation was eventually completed.

A Yes.

Q I want to know -

A That was the purpose -

Q - the state of affairs that the documentation eventually reflected?

A Right, correct.

Q And that true state of affairs was that Mayfair Leaseholds Limited then represented the equitable ownership that you have already described by Superstein and your own company and Dr. Allard?

A Not entirely, it was the vehicle where it started because then in the wind-up it was not decided who was going to hold the building because you see there are two ways of holding property; one, is that the property itself is held directly and the operation is done by a joint entity; or that the property is held by an entity and operated by that entity.

2-P-1

M.A. Miles - Clement Ex.

Q Well, this state of uncertainty didn't last very long because in no time at all the property had been sold?

A Right.

Q To Eastern interests through Mr. Peacock?

A Right.

Q So let us just see if we can't resolve this point. North West Trust held the property not as its own but for somebody else?

A That's absolutely correct.

Q Yes, and that somebody else in the first instance were several interests and finally those several interests incorporated and became Mayfair Leaseholds Limited?

A Right.

Q That is so?

A Right.

Q So that the interests then that were incorporated in Mayfair Leaseholds Limited were the beneficial owners of the property, what they might decide to do with it was their concern?

A Right.

Q And so then Mayfair Leaseholds as beneficial owner was the proper person to grant the lease to the Crown?

A Correct, right.

Q All right. Now, what happened after this? What happened with the property in the result?

A At one stage thereafter and this is the story, not where I

2-P-2

M.A. Miles - Clement Ex.

A (cont.) was present, Dr. Allard received a telephone call from New York asking him whether the Devonian Building was for sale.

Q Now, could you give me an approximate period of time for this? Was it after you had written to the Premier?

A I think this was somewhere in the middle of April.

Q About the middle of April?

A Yes, it could have been even later because from the time of the telephone call to the time of completion, everything happened very fast. Now, Dr. Allard had had several telephone calls from New York about the Devonian Building since it was constructed because that was the era of the type of transactions that Mr. Peacock explained and there was quite a demand actually.

Q You mean calls from New York from various people or all from the same people?

A No, he had just from this one.

Q I see?

A Because that was a very substantial estate and it was part of one family. This Amy Guest is part of a very large family, there are several members of the family that were at that time, since the War, whenever the tax changes took place in the United States, were buying Canadian real estate. By the way, that ceased in the last several years because the law was changed in the United States.

Q But in any event, it was this same contact in New York?

A Yes.

2-P-3

M.A. Miles - Clement Ex.

Q Who originally had been interested in the Devonian Building?

A Right and other properties around town and would phone, say Stan Melton and Jack Weber and other people in town.

Q Oh, I see?

A Oh, this was quite --mostly substantial in other words, something that the transaction would consist of something in excess of at least a quarter of a million dollars and possibly higher. So, at that point Dr. Allard regretted that the Devonian Building was not for sale and said that this property, in conversation, mentioned it was available and they asked him whether it was for sale and as most business people are, I mean, anything at the price is available and he quoted a price which he thought was -- the five hundred fifty thousand.

Q Suitable for tax purposes?

A In the conversation, without saying no and the fellow said, well, I will be in Edmonton the next day and have a look at it and he duly appeared and, I explained to you how I remember it, it was a bit funny, it was a Tuesday or a Wednesday and then Dr. Allard brought him to my office and, that was Mr. Joe Tankoos and that was the first time I met him and the three of us had a chat and then later during the day Mr. Superstein or, it may have been an hour later or, I don't remember that part, Mr. Superstein came in and I also remember that Mr. Tankoos had to leave to join another flight in the afternoon and he left the office and no transaction took place. He was offering somewhere below five

2-P-4

M.A. Miles - Clement Ex.

A (cont.) hundred.

Q Thousand?

A \$500,000.00. The group was not saying anything and then we had a number of telephone calls between the Tuesday or Wednesday up to Friday and each time the offer went up and, to be perfectly candid nobody knew whether to sell or not because you were in a range which was completely off base to a normal Canadian purchaser. It was just a set of special circumstances and, of course, you are tempted and not tempted.

Q You are just seeing how far you can ride your luck?

A That is right and then a decision was made and Dr. Allard made it. He said look, I told the fellow we will take five hundred fifty thousand so, if he pays that, you chaps should back me up. So finally late on the Friday afternoon Mr. Tankoos phoned me and said okay, I will pay what Dr. Allard asks and I saw Mr. Peacock an hour later at the Kiwanis Dinner, formal dinner and he asked me, what is going on, that he had this call from Tankoos telling him to get going and he wants it finished in twenty-four hours because, if Mrs. Guest died the transaction was of no use to him. So that is how I can place it, that Friday night we had that dinner and Max Peacock mentioned it to me.

Q Do you know or do you recall Mr. Miles whether there was this fact of a lease for a five year term at \$2.50 a foot in existence, that is to say, the Crown had committed itself

2-P-5

M.A. Miles - Clement Ex.

Q (cont.) to that lease by that time although the document wasn't actually signed, did that have any particular bearing in the attitude of Tankoos as to how much he would pay?

A Yes, definitely. Each lease has a bearing but the lease plus the special circumstances and, I don't know at what point their values change considerably to them because from what I remember it would be a graduated scale of estate duties, the same as we have here so, if she was somewhere up who knows where, the dollars spent were very cheap dollars.

Q Yes?

A Because, for a Canadian there was no -- it was not worth it.

Q Yes?

A In the normal market place except with the special circumstances.

Q And so the transaction was made, North West Trust was authorized then to sell on behalf of the beneficial owners to Mr. Peacock representing Amy Guest?

A Right.

Q And you got the five hundred fifty thousand?

A Right.

Q You signed the lease?

A Right.

Q And that was it?

2-P-6

M.A. Miles - Clement Ex.
- Gill Ex.

A Right.

Q Would you answer my friends please?

THE COMMISSIONER: Mr. Gill?

MR. GILL: Thank you.

MR. GILL EXAMINES THE WITNESS:

Q Mr. Miles, the syndicate consisted of others than Dr. Allard, yourself and Mr. Jake Superstein did it not?

A Not to my knowledge unless you mean company.

Q Well, my learned friend Mr. Clement referred to a group and you mentioned Mr. Superstein, Dr. Allard and yourself?

A Right.

Q Mr. Clement referred to a group, you meant syndicate?

A No I said those three parties were the people involved.

Q I am showing you a letter dated April 9th, 1959, addressed to Northgate Leaseholds Limited, bearing your initial and the name M.A. Miles and North West Trust Company reading:

"We are enclosing a copy of the Interim Agreement
for the purchase of the above property --"
referring to the Northwestern Utilities Building on 104th
Street.

"-- which we have signed in accordance with the
instructions of Dr. Allard and the other members
of the Syndicate. We confirm to you that we are
holding a one sixth interest in this property on
your behalf."

A Right.

2-P-7

M.A. Miles - Gill Ex.

Q So, Northgate Leaseholds were --

A That is one of Dr. Allard's companies.

Q I see, might that be marked?

THE COMMISSIONER: Exhibit 342.

LETTER DATED APRIL 9th, 1959 ADDRESSED
TO NORTHGATE LEASEHOLDS LIMITED
ENTERED AS EXHIBIT 342.

Q MR. GILL: Now, if one of Dr. Allard's
companies, namely Northgate Leaseholds Limited had a sixth,
who had the other five sixths?

A Mr. Superstein had three sixths which is half.

Q Did he have it in his name or in the name of Edmonton
Produce Company?

A I believe in his own name.

Q I see. Northgate had a sixth?

A Eagle Management Consultant one sixth.

Q That was a company owned equally by yourself and Dr. Allard?

A Right.

Q And who had the other sixth?

A I think either Devonian Motors or one other of Dr. Allard's
companies.

Q There is a letter here reporting to Mayfair Motors Limited?

A Right, that is another of Dr. Allard's companies.

Q Now, was there in existence a Syndicate Agreement?

A No.

Q Well how did these six shares come into existence, who put
what money in?

A Well the money was advanced for the first cheque, the

2-P-8

M.A. Miles - Gill Ex.

A (cont.) \$7,500.00, Dr. Allard provided a cheque and it was paid to North West Trust and they in turn issued a cheque to Northwestern Utilities. The second cheque of \$20,000.00 was advanced by Mr. Superstein. It was a casual arrangement which is perfectly normal.

Q With Dr. Allard?

A Yes. We weren't dealing with strangers you have to remember, I was employed by the company at that time since nine or ten months or, had known Dr. Allard and Mr. Superstein and Dr. Allard I believe have met in this town over the years.

Q Do you have on your table a copy of a letter from North West Trust to Mr. Jake Superstein of April 9th, 1959?

A I don't think so, I don't see anything here.

Q I made a note of yesterday Mr. Commissioner when I was examining the file and it appears not to be there now. Here it is.

I am showing you a letter with your signature at the bottom and North West Trust Company, a copy, and it is dated April 9th, 1959, addressed to Mayfair Motors Limited re this Northwestern Utilities Building and the last paragraph says

"The cash down payment of \$20,000.00 was provided by Edmonton Produce."?

A Well, that is Mr. Superstein's company.

Q I see, and you were therefore indebted to them to the extent of \$3,333.34, that would be the one sixth interest

2-P-9

M.A. Miles - Gill Ex.

Q (cont.) that Mayfair Motors had?

A Yes.

Q Well, what had Mr. Superstein to do with this, was he negotiating with someone on the lease?

A To do with what?

Q This building, the Northwestern Utilities Building?

A I think I said at the beginning, somewhere over the period that I first met Dr. Allard and joined North West Trust Company a number of buildings were discussed and Mr. Superstein was a shareholder and a Director of North West Trust Company and also I believe, quite frankly, with Dr. Allard so many things were discussed.

Q Well surely someone had some discussions with Government before your letter of March 13th?

A Not to my knowledge.

Q You just suddenly sent out a letter, did you?

A Well, that is a perfectly normal way, I think.

Q That is Exhibit 306 in these proceedings, My Lord, but you knew Mr. Peter Elliott?

A Yes.

Q The Premier's Secretary?

A Yes.

Q You had known him for some time?

A Yes.

Q And on a personal basis?

A Yes.

Q How long had you known him?

2-P-10

M.A. Miles - Gill Ex.

A Oh, maybe ten years, twelve years.

Q Did you also know Mr. Hooke at this time?

A I may have met him.

Q He would be then Minister of what, Municipal Affairs?

A I don't really remember what Minister he was.

Q He was a Cabinet Minister?

A Yes.

Q And you knew him?

A I met several Ministers, yes, but I couldn't tell you when. Now, I may have met him later, I am not sure or I may have met him earlier.

Q Did you know Mr. Art Arnold in March and April of 1959?

A No.

Q You didn't?

A I met him at the buildings.

Q At the buildings, that was the first time you met Mr. Arnold?

A Right.

Q And what about Mr. Hinman, did you know Mr. Hinman at all?

A Yes.

Q How long had you known him?

A I met the Ministers at the Official Opening of the Legislature where I had attended. That was the extent of knowing then.

Q You didn't discuss anything about this lease with Mr. Hinman?

A No.

2-P-11

M.A. Miles - Gill Ex.

Q Did Mr. Superstein know Mr. Hinman?

A I don't know whom he knew at that time.

Q And what about Mr. Holloway, did you know Mr. Holloway?

A No.

Q Do you know if Mr. Superstein and Mr. Holloway met?

A I have no idea.

Q You just suddenly picked out this idea of writing the Premier, just out of thin air, did you?

A It was one of the ideas we had.

Q You wrote to other people about trying to lease this property?

A I must have done.

Q It is not in your file, is it?

A This is just one file.

Q Do you have any other copies of any other letters offering the property to anyone else other than the Government?

A I wouldn't know now, you would have to address this to the North West Trust Company.

Q The file you have produced for us through Mr. Steer is marked Northwestern Utilities Building. Would you have another file of correspondence offering --

A I wouldn't know sir, I haven't been there since 1961 and the file was produced to me by North West Trust.

Q But you would agree that the only letter we have been able to find to date, offering the property for lease was one directly to the Premier of the Province?

2-P-12

M.A. Miles - Gill Ex.

A I will take your word for it.

MR. CLEMENT: And Mr. Elliott.

Q MR. GILL: Yes, well the letter to Elliott was a copy of the letter you had sent to the Premier?

A Right.

Q And due to your long association and personal friendship with Elliott?

A It was just due to my ignorance that he would direct it to where it was supposed to go.

Q But you had known Mr. Elliott for some time?

A Right.

Q And on a personal basis?

A Yes.

Q Well, if you will look at Exhibit 306, the letter that you wrote on March 13th, 1959, offering the Northwestern Utilities Building for lease to the Government --

A Could you pass it to me please?

Q I don't have it.

MR. MAYNARD: Is it that yellow sheet?

A No, that is the Northwestern Utilities.

MR. SHORT: Here it is.

MR. GILL: Thank you Mr. Short.

MR. CLEMENT: Mr. Gill, these I think are also from the file and should have been on the table.

Q MR. GILL: You will notice there is a paragraph reading or, at least a sentence reading

2-P-13

M.A. Miles - Gill Ex.

Q (cont.)

"Needless to say we are authorized to give the Government preference if you wish to occupy this building."

Is that what you wrote Mr. Miles?

A Yes.

Q So it would seem you really weren't seriously offering the property to lease to anyone else because you wouldn't want to get committed having said that you were authorized to give the Government preference?

A Well, at this point we weren't committed to anybody and it is a good approach to give somebody preference and obviously you would because even if you -- you have to weigh the credit risks, the credit factors so obviously you would be prepared to even take something less from a Government Department than from a private, depending on the standing.

Q The lease that was finally entered into between Mayfair Leaseholds or North West Trust acting for them and the Government was for a five year lease?

A Correct.

Q A rental of about \$5,500.00 a month?

A Well, whatever it comes to, yes.

Q Exhibit 35 and 341 My Lord so that over five years makes a total of some \$330,000.00 does it not?

A Yes.

2-P-14

M.A. Miles - Gill Ex.

Q So that would increase your possibility of selling the building?

A Yes, it always does.

Q And you don't know anything about the negotiations for the lease other than the letter of March 13th?

A No, and the subsequent events.

Q Nothing before that?

A No.

Q And actually Mr. Superstein had half of the Syndicate?

A Correct.

Q And you have no Syndicate Agreement in existence?

A No.

Q And did Mr. Superstein finally get paid out?

A Yes.

Q And what did he get paid?

A Well, if you will refer to the file, I am speaking from memory, it must have been something around seventy-five thousand or eighty thousand, thereabouts, after costs and so on.

Q I am showing you a statement on the statement figure of North West Trust Company Limited addressed to Mr. Jake Superstein?

MR. STEER: Just a moment, sir.

MR. GILL: All I want out of it is the eighty thousand.

MR. STEER: It seems a pity that we have to go

2-P-15

M.A. Miles - Gill Ex.

MR. STEER: (cont.) into the private affairs of Mr. Superstein with respect to this matter and, this was certainly on the file and I left it there.

THE COMMISSIONER: I don't think it is particularly relevant is it Mr. Gill as to how much Mr. Superstein made out of this?

MR. GILL: Well it may be when we talk to Mr. Superstein. I will leave it at that.

THE COMMISSIONER: At this point I don't think we should extend the Inquiry into personal affairs of people unless something turns on it and, from what I can see now I don't think anything turns on it. I think Mr. Superstein is entitled to privacy until something is shown to turn on it.

MR. GILL: I am only interested in knowing the division of the monies and this might have encouraged certain people to make certain negotiations. I don't know and I am trying to explore that.

MR. WRIGHT: My Lord, with respect, the document which my learned friend is referring to is simply a synopsis at the end of the file as to what money was received and where it went to. In view of some cross-examination, this is bound to happen and I would not think my learned friend could possibly object to that.

MR. STEER: This is Mr. J. Superstein's personal account. It so says at the top.

2-P-16

M. A. Miles - Gill Ex.

MR. WRIGHT: No, this is a statement to him that was enclosed with the letter of May 29th to him showing the disposition of all the money on the transaction.

THE COMMISSIONER: Could I see the statement?

MR. WRIGHT: It is not a personal statement of Mr. Superstein's affairs My Lord, it is a statement of this transaction.

THE COMMISSIONER: Any other counsel like to examine this statement?

MR. CLEMENT: Well actually sir it is getting very marginal as to relevance in my view, but, that is for your ruling, sir. It does show a series of debits and credits and balances.

THE COMMISSIONER: Well, I think it is a personal matter of Mr. Superstein and unless there is some element, some particular item there that is relevant, I don't think it should be put in as an Exhibit.

MR. CLEMENT: So far as I can read it, sir, it is a statement to arrive at a --

THE COMMISSIONER: Well, we are going to have an adjournment for coffee and we will continue the discussion after the adjournment.

(At this point 11:15 A.M., the hearing stood adjourned until 11:35. A.M.)

3-M-1

M. A. Miles - Gill Ex.

MR. CLEMENT:

Mr. Commissioner, I have examined this document that has been referred to by Mr. Gill and Mr. Wright, and it does appear to me that it is not particularly relevant. The relevant matter seems to me to be this: that a syndicate was got together to purchase; it did purchase providing -- in shares -- and sold, and the money was divided in shares. The details of that seem to me to be of a private nature rather than a matter for public enquiry. This is a statement of accounting showing expenses and so on, and the net result, and it does seem to me that perhaps we are going beyond the needs of the inquiry to get into personal matters of that sort.

THE COMMISSIONER:

Anyone else any observation to make?

MR. MAYNARD:

Mr. Commissioner, I subscribe

entirely to the comments made by Commission counsel. We had on the stand here the other day Mr. Davey, the superintendent of the Provincial Treasury Branches. On this occasion we went fully into the affairs of Ideal Homes, financial transactions and so on, and this was by consent. There was some relevancy in those transactions in relation to the topic under enquiry, but if we allow this type of question to be carried on, then we are faced with a question of principle as to where are we going to stop. How far are we going to go into investigating into personal and private affairs of individuals who are not involved, in any way, in the object of the inquiry, to ascertain whether two Ministers used their offices for personal gain. I

3-M-2

M. A. Miles - Gill Ex.

MR. MAYNARD: (Cont.) submit to you, Mr. Commissioner, in view of the principles involved, we should stop this right now, so that there will be no question raised about it later on.

THE COMMISSIONER: Mr. Wright?

MR. WRIGHT: My Lord, the only point which arises with reference to this is that allegations -- an allegation has been made, not here, and I only mention this because it is clear that no one wants that thing in --- that some of this money somehow found its way back to the government.

MR. CLEMENT: What an utterly disreputable statement, sir!

MR. MAYNARD: There is absolutely no allegation before this inquiry concerning this at the present time.

MR. WRIGHT: I say there isn't; that's why I have not mentioned it before; but there will be cross-examination directed to this point, my Lord; and so I would like at some point just something on record showing where the money went. There it is in handy form -- that's all.

MR. MAYNARD: Mr. Commissioner, there have already been questions asked on this very item before this Commission as to whether any monies had reached their way to anyone else. That question has been asked and it has been denied. Now, this is absolutely irrelevant. If my learned friend wants to ask any witness whether he did make a contribution to anyone else, then that is his privilege to do so, but certainly not in the manner which he is trying

3-M-3

M. A. Miles - Gill Ex.

MR. MAYNARD: (Cont.) to do so at the present time by revealing the private affairs of any citizen.

THE COMMISSIONER: I have examined the statement and it appears to me to be a personal statement with respect to the affairs of Mr. Superstein, and I can't see on the face of the statement anything that is relevant, and I do think that protection must be afforded to the privacy of anyone, unless there is direct relevance shown, and I am at this stage not prepared to admit the statement. However, you may proceed with your examination of Mr. Miles.

MR. GILL: Thank you, sir. What fee did North West Trust Company get for arranging for entire transaction?

A I don't remember. I would have to look up the record.

Q May I see the statement that was in dispute? I am showing you a document that at the bottom says: To North West Trust Company Ltd., May 29th, 1959, \$3,543.90. What does that refer to?

A I presume this is the fee.

Q What would it be based on?

A On mutual agreement.

Q And how was that agreement reached and between whom?

A Between Dr. Allard, Mr. Superstein and myself, and that was decided, that that was a proper fee.

Q That would be a somewhat difficult transaction: Dr. Allard was represented by Northgate Leasing, Mayfair Motors, and half of the company that you and he had -- Eagle Management--

3-M-4

M. A. Miles - Gill Ex.

Q (Cont.) and then Mr. Superstein had the other half.

A Right.

Q Did you have a meeting to agree on the fee?

A We had so many meetings, sir -- either on the telephone -- or personally -- because we did meet every Friday, as I had told you.

Q At that Board of Directors of North West -- .

A Yes, but after the meeting or before the meeting, we may have had a chat, too. It was arrived at a figure which was considered reasonable by all concerned.

Q It wasn't based on a percentage?

A No.

Q Have you any recollection or records to show why it should be that rather odd figure, not an even figure?

A There may have been disbursements.

Q In looking at Exhibit 257, Mr. Commissioner, which consists of the annual reports of Mayfair Leaseholds Limited, and in the annual report of Mayfair Leaseholds under -- made up to the 31st of December, 1959, Mr. Miles, it shows that Marcel Adam Miles -- occupation, managing director -- had one share, and then he transferred that on July 17th, '59, to Mr. Feldman. Was that a share that you acquired by virtue of your interest in Eagle Management Consultants Ltd.?

A I don't think so; I think it was a share as a subscriber -- whoever subscribes when a company is incorporated -- one of the two at the time the company was formed.

3-M-5

M. A. Miles - Gill Ex.

Q Did you not tell Mr. Clement earlier today that Mayfair Leaseholds Limited represented the beneficial owners?

A Right.

Q Well then, where do you come out in Mayfair Leaseholds Limited by virtue of your half interest in Eagle Management Consultants Limited?

A You see, this is what I was trying to explain -- maybe I wasn't clear on it: the transfers of shares, to the best of my knowledge, were never completed; but this particular share you are referring to I am sure is a subscribing share in the incorporation of the company.

Q Then, Exhibit 257, the annual report for 1959, December 31st of that year, goes on to show Ruth Superstein as owning twenty shares, Zane Feldman owning seven, and Dr. Allard owning thirteen, for a total of forty shares. Is that your recollection?

A I haven't seen the -- but, you see, my interest through Mayfair Leaseholds was completed once the transaction was completed. Then the two gentlemen decided to retain the vehicle and use it -- I presume -- judging from that -- but I have no further interest -- and remember, I had no personal interest in it whatsoever. It was strictly an Eagle Management Consultants transaction.

Q Eagle Management Consultants get one-sixth of the profit?

A Right, which they did.

Q And you would get half of that?

A No, that remains in the company. What we did with the

3-M-6

M. A. Miles - Gill Ex.

A (Cont.) company is a separate matter.

Q I see. Is Eagle Management Consultants Limited still an active company?

A No, it is an inactive one.

Q When did it become inactive?

A In 1962.

Q Was it just formed to take part in a deal such as this?

A No, no. I don't know why it is relevant because it is my personal affair, but if you are interested it happened -- I formed a company and operated the company, and in 1958 when I joined North West Trust, Dr. Allard acquired fifty percent of the company; when Dr. Allard and I parted company I incorporated -- when I went back on my own -- I incorporated a new management company in which he had no interest.

Q Did Eagle Management Limited have other dealings with the Province of Alberta?

A No.

Q At any time?

A No.

Q Who is Zane Feldman?

A He is the general manager of Crosstown Motors.

Q And a business associate of Dr. Allard?

A Right.

Q Did you know anything of Mayfair Leaseholds Limited -- looking again at Exhibit 257, the annual report made up to the 31st of December, 1960 -- which shows that Ruth Superstein,

3-M-7

M. A. Miles - Gill Ex.
- Crawford Ex.

Q (Cont.) housewife, on January 7th, 1960, transferred her thirteen shares to Dr. Allard, and seven to Zane Feldman, did you know anything about that?

A I may have known, but I don't remember at this stage, because it was really not my affair.

Q You were out of the company by then?

A Right.

Q Thank you.

MR. BOWEN: No questions, sir.

THE COMMISSIONER: Mr. Bowen? Mr. Crawford?

MR. CRAWFORD EXAMINES WITNESS:

Q Mr. Miles, my understanding is that the only money that was put up for the transaction we have been speaking of in which this property ultimately ended up in the state of -- in the estate of Amy Guest -- was a deposit of \$20,000.00 put up by the Edmonton Produce Company?

A Yes.

Q And did you say that at the time of the earlier offer of Dr. Allard, one of his companies had put up some money?

A \$7,500.00.

Q Seventy-five hundred.

A Which was then returned.

Q Yes. Beyond that there was no money put up at all until it was all cleared off and ---.

A As it turned out there was no need to.

Q No need to. Did the Board of Directors of North West Trust Company meet to determine the amount of the fee that would

3-M-8

M. A. Miles - Crawford Ex.

Q (Cont.) be charged for these services to yourself and the others involved?

A Well, they must have been aware of the position, but whether there is a formal Minute I could not swear -- I couldn't answer this at this stage. That was a long time ago.

Q Didn't the North West Trust Company have a schedule of fees for handling properties on behalf of clients?

A No. You see, I was retained to form the company, and we just got started, so this thing is not the way you would say the transaction would have been done through Montreal Trust, after a hundred years in existence. That company at that time was about less than a year old, so none of us were that experienced.

Q Well, you did know, though, that when the company was performing services it would charge fees?

A Right, but on the other hand when you are new -- and that applies to many professions -- you don't charge what you would charge when you are well established.

Q So in this case, even though the clients were, by and large, directors at both ends, you still didn't know through lack of experience how much to charge?

A No, and also if you want me to be very frank -- stop and analyze what the trust company as such could do that couldn't have been done personally, and when Dr. Allard spoke to somebody did he speak as Dr. Allard, president of North West Trust, or as president of his other company, or as an

3-M-9

M. A. Miles - Crawford Ex.

A (Cont.) individual? So then charging becomes a bit complex.

Q You're not trying to tell me that North West Trust was just as a front here?

A No, I'm not trying to tell you that, but it was something that everybody was trying to get the company on its feet to make some money. But basically, if you had been involved in the transaction you couldn't have seen why you should go to the North West Trust to do the function for it -- we were all shareholders of the company, trying to help it make a living.

Q I see. Why wasn't the profit left in North West Trust, then, if that was the purpose?

A North West Trust first of all was not a company that would have been entitled to take risks of that nature, because when you look at the transaction afterwards -- it looks as though as if there was no risk, but when you go into the thing there is always risk, and when you are a trust company you are not supposed to do that.

Q I just have one more question, and it is a repetition of an earlier one, and that is this: there was, to the best of your memory, no discussion at a meeting of the board of North West Trust Company about what should be charged to its clients in this case for these services?

A I am sure that the matter was mentioned, but I said I don't know whether it is minuted.

Q I see, thank you.

3-M-10

M. A. Miles - Crawford Ex.

THE COMMISSIONER:

Mr. Wright?

MR. WRIGHT:

May it please your Lordship, a few minutes ago the learned Commission counsel referred to a statement of mine as "utterly disreputable", and I would, with the greatest respect, appreciate his justifying that or withdrawing it.

THE COMMISSIONER:

What was the statement?

MR. CLEMENT:

Would you read back the remark that occasioned my observation, Mr. Reporter? Perhaps I was hasty and I would like to make sure what it was that was said by Mr. Wright.

MR. WRIGHT:

Mr. Maynard had made a remark with respect to an exhibit, and I followed.

THE REPORTER: (Reading)

"MR. WRIGHT: My Lord, the only point which arises with reference to this is that allegations -- an allegation has been made, not here, and I only mention this because it is clear that no one wants that thing in -- that some of this money somehow found its way back to the government.

MR. CLEMENT: What an utterly disreputable statement, sir."

MR. CLEMENT:

It was upon that, sir, that I was taking some objection. There was no evidence before this Commission that anything of that sort occurred, nor had there, to my recollection, been any suggestion at any time in this inquiry that that had occurred. Whoever made the

3-M-11

M. A. Miles - Crawford Ex.
- Wright Ex.

MR. CLEMENT: (Cont.) suggestion to Mr. Wright, I don't know.

If your Lordship thinks that that was too strong a statement--.

THE COMMISSIONER: I think probably the word
"disreputable" is a pretty strong statement.

MR. CLEMENT: I am sorry I used it, sir: I
withdraw it.

THE COMMISSIONER: Thank you.

MR. WRIGHT: I am obliged to my friend.

MR. WRIGHT EXAMINES WITNESS:

Q Mr. Miles, you joined the North West Trust Company then
about July or August of 1958?

A Right.

Q And at that time it had begun business and it could take
deposits from --- .

A No, it could not.

Q It couldn't? Did it get that right, then, in December of
that year, can you recall?

A Yes.

Q And at the same time it also obtained permission to alter
its articles to change the requirement of liquid reserves of
fifty thousand, or twenty-five percent, to a straight forty
percent of liabilities to clients; is that correct?

A I think so -- I am not -- that was a long time ago. There
was a change -- I remember the fifty thousand.

Q Yes?

A But there was a change in provisions.

Q Well, the evidence has been what the change was, and that

3-M-12

M. A. Miles - Wright Ex.

Q (Cont.) was the same time or thereabouts that they were allowed to take -- to open accounts, to receive accounts?

A Yes --- I think it may have been early in '59 or just late '58.

Q Yes. Did you have discussions with Mr. Hooke yourself?

A No.

Q About that time?

A No.

Q Did you have discussions with any people in the government regarding that right?

A Well, most of the discussions were taking place by the legal counsel. I was only referred to it much later, and sometime in December I met with Mr. Hughes.

Q Yes. Do you know -- did you know then whether Dr. Allard had had discussions with Mr. Hooke?

A No.

Q When Mr. Hooke says that he met Dr. Allard on the 28th of November, 1958, is this news to you?

A Well, I wasn't his keeper as to who he met or why or where.

Q No.

A So nothing would surprise me.

Q No.

A Because I hadn't any interest.

Q Yes -- although I suppose that if it was about company business you might?

A I was very new at that time, as we all were, and they had all kinds of discussions going prior to my coming to it.

3-M-13

M. A. Miles - Wright Ex.

Q Yes.

A And the reason I came was not to be the legal adviser but to get the show on the road.

Q Yes. When you saw -- did you say Mr. Hughes?

A Hughes.

Q In December of that year, did the discussion proceed on the basis of a brand new submission from you, or something that had been discussed at a higher level than Mr. Hughes at that time previously -- or previously to that?

A Well, I brought new points to bear on the position at that time.

Q And was Mr. Hughes dealing with you as a principal or as agent, so to speak?

A I wasn't there alone -- in case I misled you.

Q I see.

A I was there with Dr. Allard and either with Mr. Macdonald or with Mr. Matheson.

Q Yes.

A Or whoever the legal man was at that time.

Q Yes, and was any discussion had with Mr. Hughes about previous discussions there may have been with Mr. Hooke about this point?

A I don't recall the name being mentioned, but it could have been. Again, it's a long time ago.

Q And did Dr. Allard meet with Mr. Hooke at all around about this time, to your knowledge?

A Not to my knowledge.

3-M-14

M. A. Miles - Wright Ex.

Q Did Mr. Hooke ever come to the North West Trust Company Building?

A Not at that time.

Q When did he?

A I recall one particular instance when the headquarters for the Social Credit Party was being built on Jasper Avenue.

Q Did the North West Trust Company assist in the arranging of that by any chance?

A Not as a company.

Q In what capacity did the principals there assist?

A Wherein the property management people were asked for advice how the building should be constructed, and what line to be put down, and so on, so that you had the, get ideas from everybody involved.

Q Yes.

A And I may be completely wrong in the point of time.

Q Yes.

A What year that happened.

Q Well, whenever it was being built, anyway.

A Yes -- well, you asked me when I saw Mr. Hooke.

Q Yes.

A And that was the connection, but I cannot remember which year.

Q And he was dropping in for advice on this particular building?

A No, no, not Mr. Hooke -- you asked me North West Trust Company was consulted --- that was the one time I saw them there, and it was either after we had the meeting at the

3-M-15

M. A. Miles - Wright Ex.

A (Cont.) building or we were going to the building to meet some other people.

3-B-1

M. A. Miles - Wright Ex.

Q Right, sir. Can you fix the date when you had the conversation first with Mr. Tankoos or when Dr. Allard did? That is T-a-n-k-o-o-s.

A Well, if my memory serves me correctly, could you tell me this, what date was the completion, the date when the transfer which you were discussing went through?

Q April 30th, May 1st.

A No, but when was it actually in the Land Titles Office?

Q It was May 2nd.

MR. MAYNARD: May 1st.

MR. WRIGHT: May 1st.

MR. STEER: Registration was May 1st.

A May 1st.

Q MR. WRIGHT: Yes?

A I somehow think that was a Friday and I think Mr. Tankoos arrived in Edmonton ten days prior to that, some ten, eleven days.

Q Yes. This is the North West Trust Company file on the Northwestern Utilities Building that has been produced, I think one or two documents have been taken out and made Exhibits; referring to the statement on the top of the file we see that there was a cheque from Brower Johnson received by the company on the 7th of May 1959, and if we look in the file we see that there is a bill of that date for services rendered by Brower Johnson, but no covering letter or statement of adjustments: have you any idea where that letter is or whether there was one?

3-B-2

M. A. Miles - Wright Ex.

A I have no idea, they were upstairs in the same building so I presume the girl brought it down, something like that, they were tenants.

Q Yes, you can't tell us then precisely how this \$190,750.00 is arrived at?

A Well, it must be the five hundred fifty less whatever was paid out, that would be roughly the amount, wouldn't it?

Q Yes, roughly, yes.

A So that there must have been some disbursements or whichever is customary, something, but they must have it themselves.

Q Yes. Now, looking at the payments out, what you are dividing up by way of profit is roughly \$190,000.00, is this correct?

A It would appear that way, yes.

Q Yes, and we see that the Edmonton Produce Company is given half?

A Right.

Q You told us that Mr. Superstein had put up -

MR. STEER: Sir, is this not the document which Your Lordship said was a private document?

THE COMMISSIONER: Yes, I think it is, Mr. Steer, but I think this point is perfectly relevant as to what were the net proceeds from this, and how they were distributed; I don't see anything improper about that.

MR. STEER: Thank you, sir.

Q MR. WRIGHT: That, of course, was my original point, this is merely a tabulation of that, but that is decided.

3-B-3

M. A. Miles - Wright Ex.

Q (Cont.) Mr. Superstein put up \$20,000.00 to begin with?

A Correct.

Q You have told us that?

A Correct.

Q And you see that he received it back again on the 29th of April, \$10,000.00, and on the 4th of May -

A Yes.

Q - \$10,000.00?

A Right.

Q On the 4th of May also he got, or the Edmonton Produce in this case -

A Yes.

Q - got one half, more or less, well, exactly one half of \$190,000.00, which is more or less one half of the profit viz a cheque for \$80,000.00, is that right?

A Right.

Q And then again on the 29th of May a cheque for \$2,500.00 was sent to Mr. Superstein; could you just explain what that was, please?

A I presume that if you add it up it must have been an adjustment.

Q Well, yes, this is why I was keen to see the statement of adjustments.

MR. MAYNARD: Well, Mr. Commissioner, I still fail to see any relevancy at all as to any monies that Mr.

Superstein or anybody else involved might have made out of

3-B-4

M. A. Miles - Wright Ex.

MR. MAYNARD: (Cont.) the transaction. We know that there was a profit made, a considerable profit that was made on the entire transaction, but as to the breakdown of the profit, how it was arrived at, I cannot see any relevancy.

THE COMMISSIONER: I don't see the relevance, but if Mr. Wright, Mr. Wright may have in mind some relevance. Of course, if he does, if he wants to establish some relevance, why, certainly he is at liberty to do so. I don't see it myself at this point.

MR. MAYNARD: Mr. Commissioner, with all due respect, I think all Mr. Wright is doing is to do indirectly by referring to these individual items what you have ruled a moment ago he could not do directly.

MR. WRIGHT: I am not concerned for one minute with Mr. Superstein's personal affairs. If Mr. Superstein's personal affairs are brought into it, that is regrettable, My Lord, but it is not the purpose of the examination. We are back at the same position, that it would be extremely embarrassing for me to disclose the purpose of my cross-examination because -

THE COMMISSIONER: Well, if you have a purpose that you consider relevant, go ahead.

Q MR. WRIGHT: I can assure you that I have a purpose, whether it will come to anything is another matter, My Lord.

A Are you aware when you look at these figures that Mr. Superstein was paid less than a share?

Q This is, if this is the explanation just give it to us,

3-B-5

M. A. Miles - Wright Ex.

Q (Cont.) please?

A Well, I don't know why because, there must have been some other adjustment but I have no idea why. This is a long time ago.

Q Yes?

A If you look at the figures you see there is ninety thousand paid out on the one side and eighty-two fifty on the other side.

Q Well, did Mr. Superstein have a share in Mayfair Leaseholds?

A I think somewhere -

Q As well as Edmonton Produce Company?

A I beg your pardon?

Q Did Mr. Superstein have a share as well as Edmonton Produce Company?

A No.

Q Pardon?

A No.

Q Yes. Well, this is all I am getting at, he got back his original loan, twenty thousand?

A Yes.

Q Edmonton Produce Company got half and there is this mysterious, this figure?

A Well, it could be in error, you know, because curiously enough that comes to the original seventy-five hundred, you know, the original one that was put up, and maybe it wasn't paid, maybe he had put it up and I am wrong in my memory.

Q You said Dr. Allard had put up seventy-five?

3-B-6

M. A. Miles - Wright Ex.
- Steer Ex.

A No, I could be wrong because it comes back to the same seventy-five hundred somehow.

Q Yes, you think that maybe that is the explanation?

A Yes, but otherwise it is very difficult.

Q We can perhaps find that out if necessary later.

A Yes.

Q Thank you.

THE COMMISSIONER: Mr. Steer?

MR. STEER EXAMINES THE WITNESS:

Q Thank you, sir. My friend Mr. Wright questioned you about a change which occurred in the objects of the North West Trust Company and the result of that change is that the company had the right to take deposits whereas it did not have that right before; now, just to assist you as far as dates are concerned, Mr. Miles, the company meeting was I think December 23rd 1959, and that was followed by an Order of the Court, and then the documents were filed with Mr. Warr, the Registrar of Companies, in February of 1959, and in that long list of objects that were incorporated as the company's objects at that time was one giving it the right to take deposits, both on term and on demand: do you recall this change being made in the corporate powers of the company?

A Right.

Q And were there some discussions between you and Mr. Hughes about that change before the change was made?

A Yes.

3-B-7

M. A. Miles - Steer Ex.

Q And you came to be the Manager of this company, or were you the Managing Director?

A Managing Director.

Q Managing Director, I beg your pardon, and I am very sorry, it has gone right out of my mind, when was it, August or September?

A July, August, thereabouts.

Q Yes, and when you came as Managing Director were you convinced that deposits were necessary for the, as a part of the company's business?

A Yes.

Q And did you go to see Mr. Hughes for the purpose of discussing deposits with him?

A Yes.

Q And I think you told us Dr. Allard went with you?

A Yes, Mr. Matheson and Mr. Macdonald.

Q And about what date was it that you had these discussions with Mr. Hughes?

A I think it must have been late November or early December, somewhere in there.

Q In the year 1958?

A '58.

Q And what did you, you did the talking as I gather?

A Quite a bit of it, yes.

Q Yes, and did you, your position, what position did you take with respect to this as far as Mr. Hughes was concerned?

A Well, it consisted of several parts. Firstly, that the

3-B-8

M. A. Miles - Steer Ex.

A (Cont.) taking of deposits was an essential part of a trust company business, either in the form of short term or long term deposits; secondly, that there was a company in existence at that time which had that right, Farmers and Merchants, which was licensed to do business, and I felt that the same privilege should be extended to North West Trust Company.

Q Yes?

A Thirdly, it was my view that it was very important for new companies to make sure that the public is properly protected, and that because of the lack of guidelines, to use the modern word, as to what the procedure should be, and the lack of legislation existing at that time, and also a very serious handicap for the Government Department, not having any people experienced as to what to do with it, it was a difficult position all around, so that it was important to keep in close touch with the Government to accomplish those objects; and after a lengthy discussion Mr. Hughes at that time said, well, he could see that if certain cooperation does take place that it would be all right for them to grant the privilege.

Q I see.

A And they didn't have any legislation on their books to prevent you from doing that.

Q I see, and when you say they didn't have any legislation on their books, you are looking at the old Trust Companies Act before it was modified?

3-B-9

M. A. Miles - Steer Ex.

A Yes.

Q Or re-enacted?

A That's right, the first modern one came in 1960.

Q Right, and at this discussion which you have been describing to us did Mr. Hughes then agree "Go ahead."?

A He agreed that that would be all right and he said that this would be his recommendation.

Q And it was then that the company proceeded to make those changes which are evidenced here by these formal documents?

A That's right.

Q The Certificate, and so on. Yes, sir. Now, to come back to this Northwestern Utilities Building; you were questioned about who was in this, as you called it, syndicate, and you said Mr. Superstein, Eagle Management and Dr. Allard, that was your answer to Mr. Clement?

A Yes.

Q And am I correct in this, that you, when you said Dr. Allard you were using that synonymous with, if Dr. Allard chose to use one of his companies to put it in, or two of his companies, you weren't making that distinction?

A Correct.

Q No. Now, you also told us about Mayfair Leasing being a vehicle for the purpose of handling this property, and it was pointed out that when the shares were finally allocated, the beneficial shares, of course Eagle Management does not appear, and I heard what you said but I want to be sure I understand what you meant; is what you were saying to my

3-B-10

M. A. Miles - Steer Ex.

Q (Cont.) friend Mr. Gill, I think it was, that this sale through the Tankoos-Yarman people and Mrs. Guest occurred with such speed that by the time the beneficial shares were being allotted in Mayfair, Eagle Management had ceased really to have any interest?

A Right.

Q Yes. Now, just so that we will have a complete picture of the steps taken by the people who bought this building, the interest was acquired and North West Trust held it under this letter of Mr. Giannone's of March 10th, 1958?

A Yes.

Q Which is -

A '59.

Q Pardon?

A '59.

Q Oh, '59, Exhibit 315. Now, following North West Trust's acquiring the agreement, or the building in that fashion, were steps taken to arrange a mortgage?

A Yes.

Q And do you know how far the arrangements went with respect to the mortgage?

A Yes, there was a commitment, there was I believe a standby fee, and there was payment made for release from that commitment.

Q So that things went so far from the point of view of a mortgage that the money was available and it was a question just of taking the money out?

3-B-11

M. A. Miles - Steer Ex.

A Right.

Q And to get out of that mortgage commitment a fee had to be paid to get it released, is this correct?

A Right, it is also reflected in the disputed statement.

Q Oh, I see, is it; how much was paid?

A It was twenty-five hundred, altogether it amounted to \$3,000.00.

Q To get the release from the mortgage commitment?

A Right.

Q Now, what was the mortgage money arranged for, what was it going to be used for, to pay for the building?

A To pay for the balance of the building.

Q Quite, to meet the financial commitments?

A Right.

Q Now, the only other thing I think you were not asked about, Mr. Miles, was did you have a meeting at some stage with Mr. Wilson with regard to title to this building?

A Yes.

Q Mr. Wilson being with the Department of Public Works?

A Right.

Q And just to shorten it, as a result of that meeting were you able to satisfy Mr. Wilson that you did, that North West Trust had title to the building?

A Right.

Q Yes, that is all I have, sir.

THE COMMISSIONER: Mr. Maynard?

MR. MAYNARD: No questions, Mr. Commissioner.

3-B-12

M. A. Miles - Clement Ex.

E. W. Ball - Clement Ex.

THE COMMISSIONER: Mr. Clement?

MR. CLEMENT EXAMINES THE WITNESS:

Q Just perhaps one matter of verification, sir. The Minute book of Mayfair Leaseholds Limited has been laid on the table for some time. It discloses that Mr. Miles was indeed one of the two original incorporators, and I merely ask Mr. Miles to identify his resignation from the Directorate of the company of July 17th 1959, sir?

A Right.

Q And on that date you transferred the share that you held to Mr. -

A Mr. Feldman.

Q I think it is, yes, to Mr. Zane Feldman on July 17th, is the transfer of the share then held?

A Yes.

Q Those are all my questions.

THE COMMISSIONER: Thank you, Mr. Miles, you are excused.

A Thank you.

(Witness steps down.)

MR. CLEMENT: We will proceed with Mr. Ball, sir, which brings us back for a brief moment to the Sherwood Properties.

EDWARD WALLACE BALL, sworn, examined by Mr. Clement:

Q I will just take a moment, sir, to clear off the papers so that they won't get confused with others.

Mr. Ball, where is your home?

A Sherwood Park.

3-B-13

E. W. Ball - Clement Ex.

Q How long have you made your home there?

A All my life.

Q That is even before it became Sherwood Park?

A Yes, I am on the opposite side of Sherwood Park.

Q Yes, in point of fact you are, as I understand it, your home is directly south of the Sherwood Park development?

A Yes.

Q And in point of fact you had owned the North West quarter of Section 22?

A Yes.

Q That is the part shown in the lower part of this -

A Yes.

Q - Exhibit 172?

A Yes.

Q Now, did you own the whole of that quarter section?

A No, I only owned eighty acres to start, and then I bought forty acres from my dad, I had a hundred and twenty acres that I owned on my own, and my brother owned the other forty.

Q Yes.

MR. STEER: It is hard to hear, Mr. Clement.

Q MR. CLEMENT: Mr. Ball, as I understand it, let's come to the point of time say about 1951, you owned one hundred and twenty acres of that quarter section?

A First I owned eighty acres.

Q Yes?

A And then I bought forty acres from my dad about a year later.

Q Yes, and the remaining acreage was owned by your brother, you

3-B-14

E. W. Ball - Clement Ex.

Q (Cont.) say?

A Yes.

Q So that involved you and your brother in the ownership of the whole quarter section?

A Yes.

Q And what did you do with your interest in that, did you dispose of them in any way?

A Of my own land?

Q Yes?

A Well, I farmed it for a while and then I subdivided.

Q Yes, and did you deal with Mr. John Campbell at all in this matter?

A Yes.

Q What were your dealings with him?

A Well, he looked after the subdivision.

Q Yes?

A Yes.

Q Well, I am showing you now, Mr. Ball, a plan of subdivision of the part of the North West of 22, and it is dated 1958; is that a subdivision such as you have in mind?

A Yes.

Q This is it?

A Yes, well, this is part of it, this is part of it, there is two parts.

Q Yes?

A I subdivided this part first.

Q I see, you are talking about -

3-B-15

E. W. Ball - Clement Ex.

A I sold this on my own, and then this here, John Campbell took that over.

Q Now, when you say "this part", you are talking about the westerly, a strip along the westerly side of lots shown as A to L?

A Yes, I sold them on my own.

Q I see.

A I done that myself.

Q Before you dealt with Mr. Campbell?

A Yes.

Q And that left you the remainder shown in this plan?

A Yes.

Q And over here on the right hand side there is noted Plan 5612.NW, which is one of the plans depicted on Exhibit 172; can you tell me whether there is any relationship between these two plans, in other words does this cover part of the colored area on Exhibit 172?

A Yes, that blue.

Q The blue part?

A This here covers the blue.

Q Yes, is this the area, the lighter blue color?

A Yes.

Q I see, the lighter blue color, and it is designated in this Exhibit as Block 18, sir. That is not quite correct. 18 -

MR. MAYNARD: Not Block 18, reference number 18.

Q MR. CLEMENT: Reference number 18 for Plan 5322.KS.

Well, after you had, these are acreage lots, are they,

3-B-16

E. W. Ball - Clement Ex.

Q (Cont.) A to L?

A Yes.

Q About what acreage?

A They run 3.2 and 5, 6 and so on.

Q Then you came to deal with Mr. Campbell, would you tell us about that?

A Then I dealt with Mr. Campbell and he bought over here forty acres for Beaver Land Company.

Q Yes, by, did he buy it outright or by way of option?

A No, he just said he was looking for a little land and I made a deal with him.

Q I see, so that you sold him that?

A Yes.

Q As I recall it, Mr. Ball, there has been some evidence that in dealing with these lands you made a reservation out of it for a home for yourself?

A On this land I sold to Beaver Land?

Q Yes, or was it a different piece of land?

A No, I wanted to keep one lot back for the boy, for Clarence.

Q I see.

A Yes.

Q Do you recall which parcel that was?

A Well, we got Lot 9.

Q Lot 9?

A Yes.

Q Of the subdivision as shown here?

A Yes, it is on there.

3-B-17

E. W. Ball - Clement Ex.

Q It is on here?

A Yes.

Q You got Lot 9?

A Yes.

Q And did you have any transactions with Mr. Hooke in connection -

A Yes.

Q - these lands? What was that transaction?

A When I wanted Lot 9 or any lot that Mr. Campbell said that I would have to give him some land, you know, to make up, that he wouldn't just let me take it out.

Q I see, to make up the total acreage he was purchasing?

A Yes.

Q I see.

A So that they would have their full amount.

Q Yes?

A And I asked Mr. Hooke, I said I had a chance to sell this Lot 18 which Mr. Hooke had, so I bought it back from Mr. Hooke at the same price as I sold it to him, and then I -

Q So that having bought it back, this Lot 18 -

A Yes.

Q - which was outside of the forty that you were selling?

A That's right.

Q That made up the forty acres that you were supposed to sell, is that right?

A Well -

Q More or less?

3-B-18

E. W. Ball - Clement Ex.

A More or less, I guess.

Q Yes, all right.

A But then Mr. Hooke said I could take this here Lot 18 and we transferred it to the Beaver Land Company.

Q Yes?

A And the Beaver Land Company picked up the money for Lot 18 and I got Lot 9 from the Beaver Land.

Q Yes?

A And I collected the money for that, we were not going to sell Lot 9, we were going to keep it, but after a while we decided we would sell it.

Q Yes, I see.

A And that is just -

Q There is also involved in this, Mr. Ball, a company which was incorporated in 1958 known as Marilana Ranches Limited in which you and Mr. Hooke were at that time shareholders and Directors, and you continued to be shareholders and Directors, I believe, although I don't know whether the company is actually in operation; would you tell Mr. Commissioner what this company, Marilana Ranches Limited, was incorporated for and what it did?

3-P-1

E. W. Ball - Clement Ex.

A When Alfred was out there, Alfred had a few horses and so did I and we used to let people ride then and then we decided that we would start up, like a little riding school or, whatever you want to call it and so we started this up and we rented out horses and we called it Marilana Ranch.

Q Alfred means Mr. Hooke, does it?

A Yes, Mr. Hooke.

Q And was there any land put into this company?

A Yes, then he bought that nineteen acres from me and he put that into it and I put my twenty-two acres in and we had this here block.

Q The nineteen acres you refer to are the piece that goes around the corner, so to speak, here?

A Yes.

Q In the rather turquoise blue portion?

A Yes.

Q Sir, it is designated on this Exhibit 172 as number 23 and then, where was yours, the rest of the fill in there?

A Yes, mine was M. where it says 18.

MR. WRIGHT: Immediately under 29.

Q MR. CLEMENT: Oh here?

A Yes, that is mine.

Q And you put that in?

A Yes.

Q And that made up the land holdings of the company?

A Well I don't know if we really called it a company, well, you

3-P-2

E. W. Ball - Clement Ex.

A (cont.) can call it company but I don't know anything about putting this, we just run the horses on this land.

Q Well, in point of fact there was a company incorporated?

A Well, we run our horses.

Q And you were a shareholder and Director?

A Oh yes, fifty fifty.

Q And that is what that land was used for and how long did that go on Mr. Ball?

A Oh, we done that for about three years.

Q How did it turn out?

A Not very good.

Q What was the outcome? Are you still carrying on that sort of business?

A No, we sold it all out, we done away with it.

Q I see, so for the last two or three years it hasn't been going on at all?

A Oh no, no.

Q And this Marilana Ranches Limited never acquired any other property then for the purposes of this little riding school?

A Oh, we bought a half section out by Tofield, yes.

Q Out by Tofield?

A Yes.

Q That is what, about fifty, sixty miles away?

A About twenty-five miles east of our place.

Q Oh I see, and what was the purpose of that?

3-P-3

E. W. Ball - Clement Ex.
- Gill Ex.

A To get pasture and grow grain and hay to feed our horses that we kept on.

Q I see, and is that going on still?

A No.

Q That ceased to?

A Yes.

Q You got rid of that land?

A Oh yes.

Q Well then the company isn't carrying on any business?

A No.

Q And hasn't any assets?

A Not for the last three or four years.

Q Yes, thank you. Will you answer my friends please?

THE COMMISSIONER: Mr. Gill?

MR. GILL: I will be there in a moment, sir.

MR. GILL EXAMINES THE WITNESS:

Q Mr. Ball, you had a number of dealings with Mr. Hooke?

A Yes.

Q When did you first meet Mr. Hooke?

A When he moved to the farm.

Q Do you remember when that would be?

A Oh, somewhere around '51 or '52.

Q You hadn't met him before?

A No.

Q And you became friends?

A Oh yes.

Q And on a first name basis?

3-P-4

E.W. Ball - Gill Ex.

A Sure, yes.

Q Would you please speak up? The Reporter had to take it down.

A Okay.

Q And you transferred Lot N being a subdivision of the northwest quarter of 22 which you owned, you transferred that to Mr. Hooke did you not?

A Yes, I sold that to Mr. Hooke.

Q Why was that? What was the relationship in all these dealings, why did N go particularly to Mr. Hooke?

A Well, he wanted to buy and I wanted to sell.

Q I see, did you know if he had any plans, what he was going to do with Lot N?

A We were going to run these horses.

Q I see. But, he bought Lot N and you put in Lot M, is that correct?

A That is right.

Q And then you joined them together for Marilana Ranches?

A Yes.

Q And you owned legal subdivision 11 of the northwest quarter of 22 did you not?

A I can't figure that 11 out at all.

Q Might I see Exhibit 144, it is a Transfer, please?

Legal subdivision 11 would be the southeast forty acres of the northwest quarter of 22, does that help your memory at all?

A The south?

Q I believe it would be the southeast quarter, that is the

3-P-5

E. W. Ball - Gill Ex.

Q (cont.) southeast forty acres of the northwest quarter of 22?

A Well, that is the forty acres I bought from my dad.

Q Right, and you sold that to Mr. Hooke?

A No, I sold that to Beaver Land Company.

Q I see, I wonder if you would look at this signature on Exhibit 144, is that a fascimile of your signature?

A Yes, it is mine.

Q And it reads re Edward Wallace Ball, that is yourself?

A Yes.

Q And Mary Ball?

A Yes.

Q Your wife, do Transfer legal subdivision 11 of Section 22, Township 52, Range 23 excepting 36.16 acres and that is transferred to Alfred John Hooke is it not?

A I don't remember anything about that at all. As far as I know, that belongs to, I sold that to Beaver Land.

Q You thought you sold that to Beaver Land Company?

A That is right.

Q You thought that was the forty acres you had bought from your father?

A Yes, that is.

MR. STEER: Perhaps it should be made clear to the witness that there is only 3.4 acres. It is a Transfer of SD 11 except 36.16 acres.

Q MR. GILL: Correct. And you still know nothing about it, you still think it was sold to Beaver Land Company?

3-P-6

E. W. Ball - Gill Ex.

A Unless you got that in there with the nine acres somehow, is that possible?

Q John Ball is your brother?

A Yes.

Q And he sold part of legal subdivision 14 of this quarter section to Mr. Hooke?

A He sold four acres, I think.

Q Might I see Exhibit 151 please? Was a Mr. William Henning acting for you as your lawyer in 1960?

A Yes.

Q You are being shown Exhibit 151, a Transfer of Land from Alfred John Hooke to Edward Wallace Ball for all that portion of the northwest quarter of 22, 52, 23 west of the 4th, containing about 7.43 acres, when you get through the long description and \$4,905.00 being the stated consideration. Do you know anything about that Mr. Ball?

A No, not unless it is this here dealing on number 18. If it is not that, I don't know.

Q I put it to you you had a number of transactions with Mr. Hooke?

A Yes.

Q And whatever Mr. Hooke said to you you would rely on?

A Certainly.

Q And you relied on him concerning all this transferring back and forth of land?

A Oh yes.

3-P-7

E. W. Ball - Gill Ex.

Q He was doing it, not you?

A Well, I don't know if that is right, I think we were both doing it.

Q But the ideas were coming from Mr. Hooke?

A Well, if he wanted -- this here 18, that was my idea.

Q That was the exchange of Lot 9 for 18?

A Yes.

Q But the Exhibit 151, the 7.53 acres, you don't really have any recollection of how that happened?

A No.

Q And you didn't pay Mr. Hooke the consideration that is shown there, the four thousand and some odd dollars?

A I paid him back for number 18.

Q I see, how much did you pay him for Lot 18?

A Five hundred an acre.

Q And there was about 3.5 acres?

A We call it three acres.

Q Three acres, so you gave him some \$1,500.00?

A Yes.

Q For Lot 18 so, it is certainly not that Exhibit 151?

A I can't figure this out.

Q And in your dealings with Mr. Campbell, was Mr. Campbell acting for Mr. Hooke?

A I don't know.

Q But if you wanted to get a message to Mr. Hooke, would you give it to Mr. Campbell?

3-P-8

E. W. Ball - Gill Ex.

A I suppose I would.

Q You did in fact, didn't you?

A I don't know if I did or not.

Q I see, but they were closely connected together, Mr. Campbell and Mr. Hooke?

A Sure, Mr. Campbell is a good friend of mine too.

Q I see. When did you first meet Mr. Campbell?

A Oh, just a few years after I had met Alfred.

Q Did Alfred Hooke introduce Mr. Campbell to you?

A Most likely he did.

Q Most likely, and you didn't really know what was happening about these various transfers of subdivisions, you left it to Mr. Hooke and to Mr. Campbell?

A I wouldn't say Mr. Hooke, no; I left it with Mr. Campbell.

Q On the subdivision?

A Yes.

Q But on the exchanges of land you left it with Mr. Hooke?

A I don't know if I would say that or not.

Q You could have done?

A I could have.

Q Are you missing \$1,500.00 out of all this deal or not?

A Well, I don't think we have figured that out yet.

Q Well, this is 1967 and all of these things happened when, in 1959 or so?

A Yes.

Q And you still haven't figured it out?

3-P-9

E. W. Ball - Gill Ex.
- Crawford Ex.

A No.

Q Do you even know what happened Mr. Ball?

A No.

Q Thank you.

THE COMMISSIONER: Mr. Bowen?

MR. BOWEN: No questions.

THE COMMISSIONER: Mr. Crawford?

MR. CRAWFORD EXAMINES THE WITNESS:

Q Mr. Ball, what dealings did you have in 1955 with the North West Trust Company in respect to your land near Sherwood Park?

A In '55?

Q Yes?

A The only thing I know about North West Trust is the land I sold to Beaver Land Company, whatever year that was.

Q Is North West Trust involved in that?

A I thought it was.

Q Did you know that the North West Trust Company filed a caveat against your property in 1955?

A No.

Q Mr. Commissioner, I am referring to Exhibit number 36 that was filed some time ago and the photostat that I have that was provided gratuitously by Mr. Clement isn't very clear but, as I read it, it says the within and other lands, I think it says subject to a caveat by North West Trust Company Limited care of Bisset, Matheson, Company, South Edmonton, dated the 24th of September 1955 and the title

3-P-10

E. W. Ball - Crawford Ex.

Q (cont.) that that is on is in the name of Edward Wallace Ball and Mary Ball and is title number 216D152.

A No, I don't know.

MR. STEER: It is 1958 Mr. Commissioner, if anybody can really read it they have done very well but I suggest it is 1958.

MR. CRAWFORD: '58?

MR. GILL: Mr. Wright has his magnifying glasses on --

MR. CRAWFORD: Well, I am going to presume that Mr. Steer has reason to be able to say what year it was Mr. Commissioner.

MR. STEER: The only thing I said sir it looked like 1958 to me. Mr. Crawford admits he can't read it either. I don't know that I have got a better brief than he has got with respect to the date.

MR. WRIGHT: It looks like 1905, to me My Lord.

THE COMMISSIONER: Well, let us not go back to 1905.

Q MR. CRAWFORD: Well, Mr. Ball --

MR. CLEMENT: I might say incidentally that Exhibit 36 is one of the original documents put on the table in the Legislature. I wouldn't like to be taken that I was giving Mr. Crawford a copy he couldn't read. The same difficulty appears in respect of the Exhibit which is brought forward from the Legislative Assembly.

MR. CRAWFORD: Well Mr. Commissioner I need only ask Mr. Ball one question on it I think. Mr. Ball, apart from

3-P-11

E. W. Ball - Crawford Ex.
- Wright Ex.

Q (cont.) your assumption that whatever dealing it was related to the Beaver Land Company, did you ever have at anytime any other business dealings with the North West Trust Company in respect to the property that we have referred to as legal subdivision 11?

A No.

Q Have you had any dealings with respect to any other property with respect to the North West Trust Company?

A No.

Q Thank you Mr. Ball.

THE COMMISSIONER: Mr. Steer?

MR. STEER: I think Mr. Wright, sir.

THE COMMISSIONER: Oh yes Mr. Wright, excuse me Mr. Wright.

MR. WRIGHT EXAMINES THE WITNESS:

Q Mr. Ball, you say that the first thing that you did with your land after you farmed it was to subdivide it yourself to some extent?

A Yes.

Q Which were those subdivisions?

A On the side there.

Q The which? You have got a plan here --

THE COMMISSIONER: It hasn't been marked an Exhibit Mr. Wright.

MR. WRIGHT: Well, I suppose we might, My Lord.

THE COMMISSIONER: Yes, that will be Exhibit 343.

3-P-12

E. W. Ball - Wright Ex.

PLAN MARKED EXHIBIT 343.

Q MR. WRIGHT: And, it is which one?

A I done all these on my own.

Q It is A to L?

A Yes.

Q On this Exhibit and what part of the northwest quarter is this?

A 22.

Q Yes, what part of the northwest quarter, is it the top left? Is the top left of the plan the northwest corner of the northwest quarter?

A This is the northwest quarter of 22, that is the way I read it.

Q Yes, so this must be the northwest corner of the section I take it then?

A Yes.

Q Yes, that's right. I see, well then, are the lots numbered A to L on the bottom of Exhibit 172 actually?

A Yes.

Q Did you have any trouble getting that subdivision through Mr. Ball?

A No.

Q When was it that you did that, the date of this plan more or less, Exhibit 343?

THE COMMISSIONER: 343.

Q MR. WRIGHT: Yes?

A Well, it was done before this anyway.

3-P-13

E. W. Ball - Wright Ex.

Q Yes?

A Possibly in 1950.

Q Oh, before Mr. Hooke arrived?

A Oh yes.

Q Now, did you try and get any subdivision subsequent to that, yourself, between 1950 and 1959?

A Did I try to subdivide any more?

Q Yes?

A No, not until I sold to Beaver Land Company was the next.

Q And that subdivision was handled by Mr. Campbell I suppose?

A Yes.

Q At that time was there any difficulty in your obtaining subdivision in order to pass Title?

A No.

Q Was a subdivision required?

A Maybe it wasn't, I just wanted to sell, that was all.

Q Is it the forty acres we are talking about?

A Yes.

Q Do you know whether a subdivision was required in order for you to sell that forty acres?

A No.

Q It wasn't?

A No.

Q Or you don't know?

A It wasn't required, all I wanted to do was to sell it.

Q Yes, you could convey it without the --

3-P-14

E. W. Ball - Wright Ex.

A I could have sold or I couldn't have.

Q I don't mean that. Granted you wanted to sell it Mr. Ball but, could you just Transfer it or did you have to apply to the municipality --

A Oh yes, it had to go through the municipality, yes.

Q Well you had to subdivide it then and who assisted you in going through these steps?

A Mr. Campbell.

Q Yes. Did Mr. Hooke assist you at all?

A No.

Q Did you discuss the matter with him at all?

A No.

Q And then the rest of your land, that is, the remaining eighty acres was sold to who?

A Lot N, nineteen acres, was sold to Mr. Hooke.

Q That is nineteen acres and the rest was sold to?

A I didn't sell the rest, I kept it, that is my own.

Q It is still yours?

A Yes.

Q And it is small holdings now, is it?

A Yes.

Q Except it is country residences more I take it than it is small holdings proper?

A Well, whatever you want to call it.

Q I see, thank you.

THE COMMISSIONER:

Mr. Steer?

MR. STEER:

If I may, sir.

3-P-15

E. W. Ball - Steer Ex.

MR. STEER EXAMINES THE WITNESS:

Q We filed an option the other day, a couple of them when Mr. Campbell was in the witness box and I have forgotten the numbers of them, they were in grey covers.

MR. CLEMENT: While Mr. Steer is looking for that sir, I will put before you Exhibit 36. The memorial relating to the Caveat does appear to me to be 1958 but if there is any doubt in anyone's mind I will have the full sized title photoed and brought over.

MR. WRIGHT: Yes, it must be '58.

MR. GILL: Mr. Wright and I both agree it is '58.

THE COMMISSIONER: Does that satisfy you Mr. Crawford? Mr. Wright and Mr. Gill have agreed it is '58, is that satisfactory to you?

MR. CRAWFORD: Yes, I think Mr. Wright's younger eyes have been of great assistance to Your Lordship.

A There was nothing done in '55.

Q MR. STEER: Is it agreed that it '58?

MR. CRAWFORD: So far as we can tell.

MR. STEER: I made a pretty good guess.

Q MR. STEER: Mr. Commissioner, I have just checked those two options and neither of them are filed through Mr. Campbell and neither of them is the one relating to Mr. Ball's LSD 11. I am not sure whether that option can be located but if it can I will bring it and get it filed but, to come back to Mr. Ball, you certainly knew Mr. Ball and you have no

3-P-16

E. W. Ball - Steer Ex.

Q (cont.) doubts in your mind as to what was happening with respect to Lot 18 and Lot 9, that is correct, isn't it?

A Yes.

Q Yes. Now, I think you said you sold Lot N to Mr. Hooke?

A Yes.

Q And I wonder, on this Plan --

THE COMMISSIONER: Exhibit 343.

Q MR. STEER: -- it shows Lots M and Lot N, that is Exhibit 343, is that correct?

A I figured this here is Lot N and this is what Mr. Hooke took.

Q Yes, and the other is Lot M?

A Yes, and this is mine.

Q I see. Now, Lot N contained at the south end of it this piece of land which ultimately became Lot 18, is this correct?

A That would be on the south of N, yes.

Q South of N?

A Yes.

Q Yes, and this transaction with Mr. Hooke occurred prior to your selling the land to Beaver Land I think, the other LSD over here, you see? To the east?

A Yes.

Q Now, at the time you sold Lot N to Mr. Hooke, did you come to some understanding with Mr. Hooke about that piece of land at the south end that became Lot 18?

A Yes.

Q Now, what was the understanding you made with Mr. Hooke about

3-P-17

E. W. Ball - Steer Ex.

Q (cont.) what ultimately became Lot 18 when you sold Lot N to him?

A I was supposed to pay Mr. Hooke the same -- no, get it back and pay him the same money as what he gave me for this here.

Q I see?

A And we did that.

Q Now, there is sketched out in red at the bottom of Lot N this piece of land?

A Yes.

Q Which became 18, is that right?

A I think that 18, I think, should be over further.

Q Over to the west further?

A Yes.

Q Now, why was it that you wanted to be able to get Lot 18 back Mr. Ball?

A Because we wanted this lot, either Lot 9 or any lot from the Beaver Land Company and I couldn't get it unless I had something to replace it.

Q So you got an understanding with Mr. Hooke about Lot 18 and you could get it back from him?

A Yes.

Q And you had sold Lot N including the Lot 18 to him for \$500.00 an acre?

A Yes.

Q So you were going to be able to buy and you had that understanding with Mr. Hooke, to buy Lot 18 back for

3-P-18

E. W. Ball - Steer Ex.

Q (cont.) \$500.00 an acre?

A Yes.

Q And that is why this Transfer of Lot 18 shows \$1,790.00 or, \$500.00 an acre?

A Yes and we called it three acres.

Q Well, it is 3.5 acres, isn't it?

A Yes.

Q Now, as far as Lot 9 is concerned, when you made your agreement with Beaver Land, you made it with John Hooke Campbell first, didn't you?

A Yes.

Q Whatever that agreement may have been, you were going to keep Lot 9 for yourself?

A That's right.

Q Now, you were going to keep it for the purpose of your son, is that right?

A Yes.

Q And then your son of course -- you decided that you would sell it?

A Yes because we had bought another farm.

Q You bought another farm and so you arranged to have that land sold and Mr. Glasier bought it finally, isn't that correct or do you know who bought it?

A No. I think that is his name but I really don't know.

Q And you got the full purchase price for that piece of property?

A Yes.

3-P-19

E. W. Ball - Steer Ex.

Q And then you, to replace the land, you took advantage of the understanding you had with Mr. Hooke about Lot 18 and you bought that back from him?

A Yes.

Q At \$500.00 an acre?

A Yes.

Q And then when that piece of land was sold, Beaver Land Company got hold of it?

A That is right.

Q Now, Marilana Ranches is shown on that Transfer of Lot 18 as paying the \$500.00 an acre to Mr. Hooke, that is correct, isn't it? I wonder if I could see the Transfer, is it Exhibit 45? The Transfer of Lot 18 to Beaver Land?

MR. MAYNARD: 34.

Q MR. STEER: 34. Here is the Transfer Mr. Ball and you say that's the Lot 18?

A That is right.

Q And it goes to Beaver Land Company exactly where it should have gone?

A Yes.

Q But you see what it says here, \$1,790.00, that is \$500.00 an acre?

A Yes.

Q And it is paid by Marilana Ranches Limited, you see that?

A That could be, yes.

Q Now, the Marilana Ranches Company as you have explained was

3-P-20

E. W. Ball - Steer Ex.

Q (cont.) a company of yours and Mr. Hooke's?

A That is right.

Q Yes, and when Marilana Ranches ceased doing business, there was or was there an adjustment between you and Mr. Hooke as to the money that was in the company and who owed whom?

A It was supposed to be fifty fifty.

Q I see, and in making your settlement with Mr. Hooke with respect to Marilana Ranches, that \$1,790.00 was taken into account, wasn't it?

4-M-1

E. W. Ball - Steer Ex.
- Maynard Ex.

A As far as I know.

Q I think that's all I have, sir.

THE COMMISSIONER: Mr. Maynard?

MR. MAYNARD EXAMINES WITNESS:

Q Mr. Ball, I refer you to Exhibit 343, which is the map setting out in acreages two lots, Lot N and Lot M. Now, I think you have explained that Lot N, which is a sort of L-shaped lot, was sold to Mr. Hooke.

A Yes.

Q Did you sell any other parcel of land to Mr. Hooke from your holdings?

A Well, this -- where his house is now, I think that was sold first, and then this --- this is Alf Hooke's.

Q You are pointing to a parcel marked in red at the top part of the map, which would be fronting on the Wye Road, with the letters in red of "2.91 acres", and this is a parcel you sold to Mr. Hooke?

A Yes.

Q On which he moved or he built or someone built a house for him.

A That's right.

Q Was this parcel sold to Mr. Hooke before you sold him Lot N?

A Oh, just a short time before. This all was pretty close together.

Q It all took place at the same time?

A Yes, pretty close.

Q Now, later on --.

4-M-2

E. W. Ball - Maynard Ex.

A A little ahead, I guess.

Q Now, later on did you and Mr. Hooke consolidate Lots N and M for subdivision purposes?

A Not at that time, no.

Q Later?

A Later.

Q And in the process of the consolidation the titles of both parcels had to be put in the one name?

A That's right.

Q And after the consolidation had been put in the one name, then there was a subdivision plan registered into small holdings?

A Yes.

Q And I show you on the map over here, the large number 18 which refers to the registration of a plan -- it is a key number -- it's not a block number -- does this area in blue marked 18 represent a subdivision into small holdings of the combination of Lots N and M?

A Yes.

Q Would you know whether to obtain this consolidation, the titles -- the title was -- or the property was all put in Mr. Hooke's name, or in your name?

A Into my name.

Q It was put into your name?

A Yes.

Q And consequently there was a transfer from Mr. Hooke to yourself?

4-M-3

E. W. Ball - Maynard Ex.

A Yes.

Q Of his holdings; and after the subdivision had taken place was there an apportionment made of the various lots obtained as a result of the subdivision between yourself and Mr. Hooke, an allocation of the different lots?

A Oh, yes, he got his.

Q He got a number of lots to represent the acreage that he had put in?

A Yes.

Q And you got the number of lots to represent the acreage that you put in?

A That I had put.

Q My friend Mr. Gill asked you whether if you wanted to get a message to Mr. Hooke you would refer to Mr. Campbell. I take it, Mr. Ball, that you were living pretty close to Mr. Hooke?

A Yes.

Q Particularly when he moved across the Wye Road you were next door neighbors?

A Yes.

Q And if you wanted to get a message over to Mr. Hooke it was just a question of running across the fence line to give him the message?

A Well, yes.

Q But, of course, if Mr. Campbell were discussing anything with you and if it was a matter of convenience you might refer him to Mr. Hooke?

4-M-4

E. W. Ball - Maynard Ex.

A Certainly.

Q You never had any hesitation at any time -- .

A No.

Q -- to contact Mr. Hooke personally?

A No, I never did.

Q And to give him any message that you might have to give him personally?

A Certainly.

Q Or to discuss any business affairs you might have with him personally?

A Yes.

Q And it was not necessary for you to use Mr. Campbell as a go-between?

A I never used anybody for a go-between.

Q That's fine, thank you, Mr. Ball.

THE COMMISSIONER: Mr. Clement?

MR. CLEMENT: No more, sir.

THE COMMISSIONER: Thank you, Mr. Ball, you are excused.

(Witness retires.)

MR. CLEMENT: Mr. Commissioner I will not call any further evidence this morning. I would like to make a remark, though, in connection with evidence when we resume the sittings. I have subpoenaed Mr. Brower of Brower & Johnson & Company, whose firm has been mentioned in connection with the completion of the transaction of the sale of the Northwest Utilities Building. Now, in view of

4-M-5

Discussion.

MR. CLEMENT: (Cont.) the evidence that has already been given I have come to the view that he perhaps will not be able to afford additional useful information. If other of my friends take a different view, well, then, I will produce him on Tuesday morning. Now, there is -- and perhaps it might be stated now so I will know what to do.

THE COMMISSIONER: Any counsel want Mr. Brower called?

MR. GILL: I would like to have Mr. Brower briefly on the stand.

MR. CLEMENT: Then I will call Mr. Brower.

There is another witness, sir, Mr. Hume, who is now in Victoria. I have made some enquiries as to what the nature of his testimony might be, and it did occur to me it was not relevant to the issues before this Commission. If any counsel or any interested party wishes him to be called as a witness, sir, then I invite an application to you for that purpose, and the matter can be discussed.

THE COMMISSIONER: Does any counsel want Mr. Hume called?

MR. WRIGHT: My Lord, I would like to check further as to what he is supposed to know.

THE COMMISSIONER: Fine, Mr. Wright, you can speak to that next week, then, if you wish.

MR. WRIGHT: Before making an application.

MR. CLEMENT: I take it that whatever information you might have, Mr. Wright, would not bear on the Allard-Hooke association?

4-M-6

Discussion.

MR. WRIGHT: I don't think so, but I'm not sure.

MR. CLEMENT: You see, the time table involved is this, sir: Mr. Metcalfe or Mr. Stewart will be put on to give the story of the sale of the building from the point of view of Northwestern Utilities, and then I contemplated calling Dr. Allard, but it seems probable that we should complete the testimony affording a background before I call Dr. Allard.

THE COMMISSIONER: What would be involved in your finding out whether or not you require this man Mr. Hume, Mr. Wright? I mean, how long would it take you to find out? I think Mr. Clement is anxious to plan our hearing next week so that we can call Dr. Allard at the conclusion of all evidence relative to his relationship with Mr. Hooke.

MR. WRIGHT: Well, there is someone in the room I can speak to right now.

THE COMMISSIONER: Yes, I noticed that Mr. Turcott was in the room, and if you'd like to speak to him, why, fine; you might just give an indication so we can plan out -- . Perhaps that could be discussed with you, Mr. Clement, after we adjourn.

MR. CLEMENT: Very well, sir, yes.

THE COMMISSIONER: Now, is there anything else, Mr. Clement?

MR. CLEMENT: No, thank you, sir. I understand that, having regard to the fact that in any event there would be a very small amount of business that we could do

4-M-7
Discussion.

MR. CLEMENT: (Cont.) tomorrow, since we have to wait until next Tuesday before Mr. Metcalfe returns, that subject to your approval, counsel are agreed that it would be a very considerable waste of time to convene for perhaps half an hour or so, and that we might have the hearing stand over until -- .

THE COMMISSIONER: Have any of you gentlemen any objection to not sitting tomorrow?

MR. MAYNARD: None whatsoever, Mr. Commissioner.

MR. COMMISSIONER: Very well, we will adjourn then until Tuesday morning at nine o'clock.

(Adjourned at 1:10 p.m.)

